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# DISCRIMINATORY ARAB PRESSURE ON U.S. BUSINESS

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HEARINGS  
BEFORE THE  
SUBCOMMITTEE ON  
INTERNATIONAL TRADE AND COMMERCE  
OF THE  
COMMITTEE ON  
INTERNATIONAL RELATIONS  
HOUSE OF REPRESENTATIVES  
NINETY-FOURTH CONGRESS  
FIRST SESSION

MARCH 6, 12, 13; DECEMBER 11, 1975

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# DISCRIMINATORY ARAB PRESSURE ON U.S. BUSINESS

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THURSDAY, MARCH 6, 1975

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON INTERNATIONAL RELATIONS,  
SUBCOMMITTEE ON INTERNATIONAL TRADE AND COMMERCE,  
*Washington, D.C.*

The subcommittee met at 2 p.m. in room 2255, Rayburn House Office Building, Hon. Jonathan B. Bingham (chairman of the subcommittee) presiding.

Mr. BINGHAM. Will the subcommittee please be in order.

This is the first meeting of the newly created Subcommittee on International Trade and Commerce.

The hearing today has been called to investigate discriminatory pressures against American businesses as a result of the Arab economic boycott of Israel. This boycott takes two principal forms: a primary boycott involving a direct prohibition on any economic interchange with Israel and a secondary boycott directed against firms which have trading, investment, or financial relationships with Israel.

The boycott has technically been in existence for many years, but it has never been very effective. Today, as the economic power of the Arab States has been enormously increased by their stranglehold on so much of the world's oil, the threat of effective discrimination against Jewish firms and Jewish people becomes far more real and hence more dangerous.

Boycott pressures have taken on new dimensions and a new intensity in recent weeks and have rightfully outraged many Americans. For example, banks and other financial institutions have been told by Kuwait not to deal with blacklisted firms if they want to handle Kuwait investments.

Furthermore, there have been charges that the Arab boycott is being extended to companies which are owned, controlled or managed by persons of the Jewish faith. The subcommittee will investigate these aspects of the boycott as well as allegations that the U.S. Government has acquiesced in discriminatory practices in various ways. We will also explore the possibility of legislation to protect U.S. firms from Arab pressures and the possibility that U.S. laws may already have been violated.

We will hear today from Representative Henry Waxman of California, who has recently returned from a trip to the Middle East; Mr. Paul Berger, national vice president, American Jewish Congress; Mr. Seymour Graubard, national chairman, Anti-Defamation League of B'Nai B'rith; and Mr. Hyman Bookbinder, Washington representative of the American Jewish Committee. Further hearings will be

held next week with testimony from U.S. business firms and officials of several executive departments.

Before we call the first witness, does the senior minority Representative have a statement?

Mr. BIESTER. Thank you, Mr. Chairman.

I am very pleased we are holding these hearings as promptly as we are. I am pleased that we will have an opportunity to not only discover for ourselves the facts in depth, with respect to this outrageous practice, but also, to discover the extent to which our own Government may have been implicit, or the extent to which our Government has been working in the past and intends to work in the future to prevent the impact of these events to have a deleterious effect upon both international trade and its neutrality and upon the interests of American citizens and the rights that we regard as very precious here.

Mr. BINGHAM. Thank you.

Our first witness will be Representative Waxman, our colleague from California.

Welcome before the subcommittee, and we look forward to your statement.

### STATEMENT OF HENRY A. WAXMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Henry A. Waxman, a Democrat, was first elected to the House of Representatives in 1974, to represent California's 24th Congressional District. Previously, Waxman was a California State Assemblyman. When first elected in 1968, he was the youngest member of the State Legislature.

Congressman Waxman is a graduate of UCLA, where he received a B.A. Degree in Political Science in 1961, and UCLA School of Law, where he received a J.D. Degree in 1964. Waxman practiced law before he was elected to the Assembly. He is a member of the American Jewish Congress, American Civil Liberties Union, NAACP, Epheobian Society, and the Sierra Club, and is a regular columnist for the Los Angeles Reporter Publications. Congressman Waxman has been active in politics since his undergraduate days. He has held many posts in volunteer Democratic organizations, and from 1965 to 1967 served as President of the State-wide California Federation of Young Democrats.

Congressman Waxman is married to the former Janet Kessler. They have a daughter, Carol, and a son, Michael David.

Mr. WAXMAN. Thank you, Mr. Chairman.

Mr. Chairman and members of the subcommittee, thank you for this opportunity to share with the subcommittee some information and some ideas about discrimination against American citizens by Arab governments. I am especially anxious to point out the ways in which Arab anti-Jewish policies have been incorporated into the practices of our Government and American businesses abroad.

#### PERSONAL EXPERIENCE WITH ARAB DISCRIMINATION

A recent personal experience with the Saudi Arabian Government caused me to examine the entire topic of Arab discrimination.

Some of you may know of my personal involvement in this matter. From February 7-17, 1975, I participated in the trip of the House Armed Services Committee to Israel, Iran, Saudi Arabia, and Egypt, for the purpose of evaluating the political and military situation in the Middle East.

Prior to departure, I obtained visas from every country except Saudi Arabia. Saudi Arabia requires, in addition to a visa application, a certificate of religion. The processing of my visa application was going smoothly until the Embassy came across the certificate of religion, which stated I am Jewish.

At that point, I was informed that the visa would not be granted. The fact that I was a U.S. Congressman seeking to enter Saudi Arabia on official Government business carried no weight. The fact that my certificate of religion showed me to be Jewish was decisive.

Ultimately, intervention by the State Department on my behalf resulted in the Saudis granting the visa. My staff looked into the entire matter and discovered that visa applications from Jews are handled by the Saudi Foreign Ministry; with the exception of a few high-level Government officials, all Jewish applications are denied.

While in Saudi Arabia, I had the opportunity to raise the question of the Saudi Arabian Government's attitude toward Jews with King Faisal. The King's responses were curt and forthright.

He made it clear that he made no distinction between the State of Israel and Jewish citizens of whatever other nationality. At one point, the King expressed his conviction that there could never be any place for a Jewish homeland in the Middle East.

#### CONTRADICTION IN SAUDI ARABIAN POLICY TOWARD JEWS

At another point in our discussion, when asked what his policy was toward Jews seeking to visit or work in Saudi Arabia, the King told me he regarded all Jews as friends of Israel, and therefore, enemies of Saudi Arabia. King Faisal said that Jews, regardless of nationality, had no business in Saudi Arabia as visitors.

I hasten to point out that, from time to time, Arab spokesman, including King Faisal, claim that they are opposed to the Government of Israel and to Zionists but not to Jews—per se. Yet, in practice, they treat all Jews of whatever nationality or political disposition as though they were representatives of the State of Israel and, thus, enemies.

It is especially perturbing that American citizenship has no validity if the citizen is Jewish. Similarly, as was pointed out in the recent hearings of Senator Frank Church, the Arab economic boycott extends no special courtesy to Jewish-owned American firms.

All of this must be seen in the context of the relatively good diplomatic and military relations that have existed between the United States and Saudi Arabia for many years. We are speaking of a country which claims to be "pro-West" and which receives enormous American military assistance. Nevertheless, that country does not hesitate to insult, humiliate, and cause economic loss to American citizens.

#### DISCRIMINATION NOT CONFINED TO SAUDI GOVERNMENT

If the policy of which I speak were only the internal policy of the Saudi Government, it would be quite bad enough. However, evidence is forthcoming that agencies of our Government and American corporations have been actively aiding the Saudis in achieving their anti-Jewish goals.



In Riyadh, a U.S. Embassy official told me he could not recall having ever seen a Jewish employee at any level in the Foreign Service embassy staff or U.S. military personnel in that country. He took it for granted that Jews had been screened out in advance to avoid any unpleasant tensions with the Saudis.

If this is true, and I believe it is, then our own Government is the direct enforcer of discriminatory standards.

We have had at least one frank admission of such discrimination by a branch of the U.S. Government. Two colonels in the Army Corps of Engineers told the Church committee that the Army regularly checks personnel to be assigned to Arab lands and eliminates Jews.

It is my strong impression that the discrimination practiced by Government agencies is equaled or surpassed by U.S. corporations with operations in the Middle East.

#### AMERICAN BUSINESS EAGER TO CONFORM TO ARAB POLICIES

My discussions with members of the U.S. business community in Saudi Arabia gave me the strong feeling that in appreciation for economic gains made in Saudi Arabia, American businessmen were eager to conform to Saudi patterns. If conforming to local patterns means discriminating against women and Jews, this is seen as quite a small price to pay for lucrative business arrangements.

#### U.S. GOVERNMENT POSITION ON SAUDI ARABIAN VISA POLICIES

It was in response to these concerns that I wrote Secretary of State Kissinger on February 20. I respectfully requested that the Secretary review and report on the U.S. Government's position with respect to Saudi Arabian visa policies as they pertain to Jews, and to explain the nature and extent of United States acquiescence and participation in Saudi policies restricting Jews.

I have not yet received a formal reply from the State Department. However, State Department spokesmen have made some public comments on the issue, which, I am sorry to say, I have found to be evasive and unresponsive.

The State Department says it does not even know the religion of its Foreign Service officers stationed in this "religion-sensitive" area. It is hard for me to believe that diplomatic personnel are assigned without their superiors knowing quite a bit about their social and personal background.

Furthermore, the Embassy in Saudi Arabia knew, Mr. Chairman, that there were no Jews on the staff. It would seem that the State Department in Washington would have access to the same information.

The State Department claims it does not even know if records exist about any one who has been turned down for service in Saudi Arabia because of religion. Such records, Mr. Chairman, must exist.

If we accept this kind of anti-Jewish discrimination, it is a clear sign that we will tolerate an escalated anti-Jewish campaign from the Arab world. And discrimination against one group that is tolerated will give encouragement to discrimination against other groups.



## ARAB DISCRIMINATORY POLICY AGAINST WOMEN

I wish to note that the discrimination by Government agencies and American business extends beyond anti-Jewishness.

For example, it is my impression that women are systematically excluded from service in countries where "local custom frowns upon women in positions of responsibility." Our Government and our corporations ought not to reflect local prejudices of any sort, anywhere. Rather, they should reflect our standard of equal opportunity.

For some time, our Government has proudly, and I believe, rightly, assigned black personnel to posts in the Union of South Africa. We have done this in spite of the fact that we know it is contrary to the preferences of the South African Government and may, in fact, cause tensions between the American diplomatic community and the South African Government.

## AMERICAN VALUES SHOULD NOT BE COMPROMISED

This policy is based on the conviction that there are some values that ought not be compromised or sacrificed for the goal of diplomatic congeniality. The assignment of people on the basis of their individual merits and abilities is a sacred American value supported by law. We do not betray this value in South Africa. We ought not do so anywhere else.

## ATTORNEY GENERAL SHOULD INVESTIGATE DISCRIMINATION

I have joined with a number of other members of Congress in requesting that Attorney General Levi conduct a thorough investigation of the matters I have discussed here today. Surely, Federal laws against discrimination ought to protect Government employees working abroad as fully as they protect those working at home. Further, I am anxious to have definitive legal opinions on the civil rights of American citizens employed by American corporations abroad.

Deputy Assistant Secretary of State Harold Saunders admitted to the Church subcommittee that the approach of the State of Department to the problems I have discussed was one of "quiet diplomacy and persuasion." I do not believe that the Arab world will end its economic boycott or that King Faisal will alter his nation's anti-Jewish visa policy as the result of "quiet diplomacy and persuasion."

Before attempting to alter the policies of foreign governments, we must get our own house in order. Government agencies and American businesses must pursue a forceful antidiscrimination policy—regardless of foreign attitudes.

Again, I wish to express my deep thanks to this subcommittee and to you, Mr. Chairman, for conducting these urgent hearings and affording me the opportunity to testify at this time.

I will be glad to answer any questions you might have.

Mr. BINGHAM. Thank you, Mr. Waxman, for a splendid statement.

Do you have anything to convey to us as to this type of situation in other Arab countries, or was your experience solely in Saudi Arabia?

## JEWISH VISA PROBLEM ONLY IN SAUDI ARABIA

Mr. WAXMAN. Only in Saudi Arabia. I had no problems getting a visa to go to Egypt, and as I understand it, there is no restriction to just coming into any other country. Only Saudi Arabia has this policy.

Mr. BINGHAM. Would it be your impression that the attitude of the Saudi Arabia Government would not change even if there were a peaceful settlement so far as Israel was concerned?

Mr. WAXMAN. It did not occur to me that their objection to allowing Jews was based on Israel. It seems to me the objection was based on the feeling that the Jews were the enemy of Saudi Arabia.

The King expressed this in terms of friends of his enemies—perhaps he would give some kind of resolution of the Middle East situation as a way of looking elsewhere for enemies, but he also expressed he saw no room in the Middle East for a Jewish homeland.

So, I would expect the only resolution of the Middle East problems that would ease his anti-Jewish visa problems would be the elimination of a Jewish state.

## EQUATING ZIONISM WITH COMMUNISM

Mr. BINGHAM. Did you hear from him any expression of views that he equated Zionism with communism?

Mr. WAXMAN. Very much so. He talked at length about Zionism and communism being the same.

At one time, he talked about Zionism having created communism. He distinguished between Zionism and Judaism, and when I asked him, despite that distinction, why he barred all Jews from Saudi Arabia, he indicated they were the same thing.

Mr. BINGHAM. Were there others there at the time of your meeting, other members of the committee?

Mr. WAXMAN. There were 19 Members of the House of Representatives in the meeting at that time.

Mr. BINGHAM. Mr. Biester.

Mr. BIESTER. Thank you, Mr. Chairman.

I wonder if you discussed these events or these standards of the Saudis with the leaders in other Arab States?

Mr. WAXMAN. Only to the extent that we were concerned about his position vis-a-vis the State of Israel continuing as a Jewish state. But in terms of visa policies or anti-Jewish attitudes, this was not part of our mission. This was not part of our discussion.

Mr. BIESTER. You did not inquire of other Arab leaders what their point of view was with respect to this problem?

Mr. WAXMAN. No.

## SAUDI VISA POLICY IS PERMANENT

Mr. BIESTER. The chairman has really asked this question, and I am only going to try to underscore it. I take it, from your answer to his question, that you do not perceive that the Saudi policy is based upon a part time setting. It is a more permanent policy than that?

Mr. WAXMAN. That is correct.

The argument, as I understand it, from a recent press article, I believe, in the Washington Star News, an interview with one of the leaders in Saudi Arabia, was, they thought this was part of the hostilities. Nevertheless, the hostilities are expressed to Jews wherever they may come from and whatever nationality, and to equate Jews with American citizenships with the State of Israel is an unjustified assumption to make.

Mr. BIESTER. One final question. It has to do with the last paragraph on page 5 of your statement.

#### MULTINATIONAL CORPORATIONS' POLICIES

The proposition raised there raised a number of questions, which, really, I suppose, more appropriately pertain to the whole, general area of international corporations that are based in the United States and operate in various countries abroad and to which government or collection of governments, or to what international standards they are subject. This area of discrimination or other kinds of individual rights certainly lies at the heart of those questions and that concern.

It seems to me, what you have raised here is not only important on its own ground, but it tends to raise other broader questions regarding the behavior of multinational corporations in many countries.

Mr. WAXMAN. Yes, sir.

Mr. BONKER. I appreciate your statement, Mr. Waxman.

#### U.S. POSITION

We have had the opportunity to discuss this informally prior to today. In your letter to Secretary Kissinger, you asked him to review and report on the U.S. position with respect to Saudi Arabia's visa policies. Have you asked him, or have you, in your pursuit of this issue, come across a policy that the United States has regarding the issue of discrimination both in our employment practices abroad and with respect to business ventures abroad?

Mr. WAXMAN. I have not received a formal reply from the State Department or from Secretary Kissinger, but there have been some pronouncements in response to press questions, not, as I understand by the Secretary, but by the State Department briefing officer.

As I understand the responses, they were checking into the matter; they were not aware of it—vague and evasive kinds of answers.

Perhaps, in a preliminary way, to be fair to them, they did claim they were going to check into it further. I feel confident, when they do check into it further, they will see the full consequences of our policy.

Mr. BONKER. In the consequences of our policy or lack of policies?

Mr. WAXMAN. I think we are engaged in an affirmative policy when our Government will not, one, speak out against discrimination by another country against our citizens and, second, I believe we are in an affirmative way involved when we will go out of our way not to assign to foreign duty Jewish personnel because of the feeling that the Saudi Arabian Government might have objections.

## U.S. DISCRIMINATION INCONSISTENT WITH CONSTITUTION

Mr. BONKER. It seems inconsistent to me—we built into our Constitution a protection for citizens, not to deny it on the basis of race, religion, or status, and still, if what you have discovered in your trip to the Middle East, that we do deny employment, for instance, in the foreign service or in some of our embassies, on the basis of religion, then we are rather inconsistent with our own policies at home.

Mr. WAXMAN. Not only inconsistent, but I believe it is a signal: it is a signal by our Government to those in the Arab world that would seek to carry on a policy of discrimination that they can go further. And when we tolerate one level of discrimination, it is a signal that another higher level will be acceptable, and I think that is exactly the pattern we are now seeing.

It was a question of discrimination on visas, which affected, I am sure, relatively few people, but beyond that, the discrimination against assignment of personnel and, then, on top of that discrimination—and you will hear more about that—discrimination against American businesses that are Jewish-owned or have dealings with the State of Israel, et cetera. There is no end to discrimination once it is tolerated, and we must draw the line very clearly and unequivocally on our part, not to tolerate that sort of thing.

## U.S. CREDIBILITY IN MIDDLE EAST

Mr. BONKER. Let me ask you this: The Middle East is in a very delicate and explosive situation, and Henry Kissinger is attempting to negotiate the peace, to try to maintain his credibility on objectivity. Do you think that if we pursued a policy of accommodating the request that you are making, or the policies that you envision, that it would erode his credibility; that it would say to them that the American Government and their policies have yielded to the Jewish cause in this case and, therefore, we cannot trust Secretary Kissinger to negotiate a settlement in the Middle East. Is that possible?

Mr. WAXMAN. First, I don't really think of it as a Jewish cause, because I think discrimination against any group becomes an American cause. It is in violation of the spirit of the Constitution and the philosophy that underlies the very basic structure of this country.

But it is not, as I have come to learn, not a new problem in denying Jews visa requests. There have been reports that this has been going on for as long as there has been a State of Israel. I would think these kinds of things would be continued, and unless we talked about it, it would be put on the back burner of everyone's agenda.

If we do not draw the line here, we will have to draw the line elsewhere at a much more perilous point. I think it has some relationship, perhaps, to the negotiations going on in the Middle East, but I think it ought to be removed from that consideration and, just as a matter of the rights of American citizens and the role of our Government, ought to be the important one.

There are really two issues: What Saudi Arabia does is their policy, as much as we might dislike it, but what we do should be of great concern to us, and we should not allow our Government to be enforcing a discrimination that Saudi Arabia would like against our citizens.

Mr. BINGHAM. Mr. Whalen,

Mr. WHALEN. Thank you, Mr. Chairman.

Mr. Waxman, I am a little ambivalent about your presence here before our subcommittee.

On the one hand, I am very depressed that you would appear here on your first testimony before a congressional committee, as a new Member of Congress, under such depressing circumstances.

On the other hand, your own personal experience might be salutary to the effect that it will result in full scale congressional investigation into the discriminatory practices which have been going on for some time.

I just have a couple of questions.

#### VISA POLICY OF OTHER ARAB COUNTRIES

First, you apparently have gone to other Arab States as a member of the Armed Services Committee. Do you know if these other states require a statement of religious preference on their visas?

Mr. WAXMAN. None of the countries that I have visited required that.

I know of no other country that makes that request for information.

Mr. WHALEN. Were you able to determine to your satisfaction that visas have not been extended to American citizens of Jewish faith for purposes of business visits, even visits as tourists?

Mr. WAXMAN. I know from my own experience that is the case, and I am informed and believe—based on other statements that I have heard from other people—that that has been a policy for some time.

#### STATE DEPARTMENT HAS NO RELIGION RECORDS

Mr. WHALEN. Apparently the State Department's response to your inquiry and questions of others is that they really have no records in terms of the religious preference of foreign service officials. Is that correct?

Mr. WAXMAN. That is the response.

Mr. WHALEN. We have, I think, what is it, a principle called the "laws of chance," and it would seem that by chance at least one Jewish foreign service officer might have been assigned to Saudi Arabia. But to the best of your knowledge, this is not so?

Mr. WAXMAN. As a matter of fact, at the briefing, when this position was set forth, the State Department representative was asked if it were merely by chance, could it be that all of the officials assigned to Saudi Arabia could end up being Jewish. Of course, there was no response to that.

No, I cannot believe that the State Department does not fully know about the personal backgrounds and persuasions and beliefs and attitudes that might affect the conduct of that individual in another country. I think they must make a thorough evaluation of every foreign service representative, so I cannot believe they are not aware of this information.

It seems to me, when people in the embassy in Saudi Arabia knew, in fact, there were no Jews there, that the State Department also ought to know this information. They did indicate they were going to check out that information, and I am anxiously awaiting their figures.

Mr. WHALEN. Thank you, Mr. Chairman.



Mr. BINGHAM. Thank you.

We are glad to have as a member of the full committee Mr. Solarz from New York.

You may question the witness.

Mr. SOLARZ. Thank you, Mr. Chairman.

I am not a member of this subcommittee, but I am very interested in the subject, so I thought I might take the liberty of coming.

Let me say, parenthetically, if the State Department does not have the requisite information about the members of the Foreign Service, that it might consult the CIA, which seems to have records.

I want to compliment Congressman Waxman, not just on his statement, but, also, on his willingness to go to Saudi Arabia in the first place.

It strikes me as a sort of contemporary version of the story of Daniel in the lions' den.

As one of your colleagues, I am delighted you came back. There was one thing you mentioned in your description of the discussion you had with King Faisal which intrigued me. You said that he equated Zionism and communism.

#### INCONSISTENT OPINIONS

I was wondering, in the course of this conversation, if anybody pointed out to him that it was the Soviet Union which was the staunchest supporter—certainly in military terms—of the Arab States? Does he see any contradiction or incongruity between his equation of Zionism and communism with realities of the conflict in the Middle East?

Mr. WAXMAN. That question was not asked at the meeting, but I understand it has been asked of him in other meetings. And from what I am told, despite what are obviously inconsistent opinions, he held them all with equal vigor.

Mr. SOLARZ. Thank you.

Mr. BINGHAM. Well, we want to thank you very much, Mr. Waxman, for your testimony and for appearing here today.

Thank you.

Mr. WAXMAN. Thank you.

Mr. BINGHAM. I would like to ask the other three witnesses if they would come to the witness table together, and if it is agreeable to you and to the members of the committee, I would suggest that you give us your preliminary statements first and then the questions will be addressed to the panel as such.

I understand that Mr. Paul S. Berger, cochairman of the Commission on Law and Social Action of the American Jewish Congress and a national vice president of the American Jewish Congress, will be the first witness.

#### STATEMENT OF PAUL S. BERGER, NATIONAL VICE PRESIDENT AND COCHAIRMAN OF COMMISSION ON LAW AND SOCIAL ACTION, AMERICAN JEWISH CONGRESS

Paul S. Berger was born August 25, 1932 in Blakely, Pa. He attended the University of Scranton, Pa. and completed his undergraduate studies there with a B.S. (magna cum laude) in 1954. He earned an LL.B. (cum laude) in 1957 at

New York University, and also served as Comment Editor of the NYU Law Review from 1956-57.

Prior to his current position as a partner with Arnold & Porter law firm, Mr. Berger worked for the U.S. Attorney's Office in New York; with the Tax Division of the Department of Justice; and as an attorney for the House Subcommittee on Legislative Oversight. He has been admitted to the Bars of New York and the District of Columbia.

Mr. Berger serves as a Co-chairman of the Commission on Law and Social Action of the American Jewish Congress, and is very active in various Jewish organizations. He resides in Chevy Chase, Md., with his wife Debra and three children.

Mr. BERGER. Thank you, Mr. Chairman.

For the record, I am appearing at this hearing as part of a group speaking for the American Jewish Committee and the Anti-Defamation League of B'nai B'rith, as well as for the American Jewish Congress.

I am an attorney in a Washington law firm, but I am appearing as a layperson involved with the American Jewish Congress.

Appearing here with me are Seymour Graubard, national chairman of the Anti-Defamation League of B'nai B'rith, and Hyman Bookbinder, Washington representative for the American Jewish Committee.

On behalf of the three organizations, I want to express our appreciation for this opportunity to be heard.

Off my short written statement, I would like to introduce this topic by saying that, as I see it, an accumulation of Arab wealth and their blatant effort to use it as an instrument of blackmail are events which have received recent condemnation in our land.

President Ford has condemned these efforts to import a foreign way of life into our free society. Two nights ago, I had the pleasure—and it was a pleasure, despite the fact that large dinners sometimes get tiresome—in hearing George Meany, president of the AFL-CIO, accept the annual citation of the National Conference of Christians and Jews.

He really gave a stirring address, and he said, "America must let the whole world know that, in the United States, human rights still have priority over the dollar."

He said, "No one in the world can be left in doubt what America and its way of life stand for. And those who seek to attack our free society must be barred from doing business here."

You gentlemen and Congress on a bipartisan basis have immediately moved to determine what must be done to deal with this situation. All these efforts and expressions are important reaffirmations of the fundamental values which make America different, and for that, we are proud and grateful as Americans and as Jews.

The organizations here today are not opposed to the return or recycling of petrodollars to the American economy. It is essential, however, that effective steps be taken to prevent Arab investments from having the effect of distorting the political institutions, business practices, or foreign policy of our country.

There is no doubt that the Arab boycott exists. Indeed, it has been widely proclaimed by the Arab nations themselves. It threatens to poison the channels of U.S. commerce by the virus of discrimination based on religion and also by the virus of animosities among other nations abroad. We cannot allow this to happen.

## BOYCOTT HAS TWO ASPECTS

The boycott has two aspects—both destructive. First, it demands that companies doing business with Arab lands, including American companies, must make themselves “judenrein”—with respect to officers, employees, and those with whom they do business. Second, it demands that those American and other companies do no business with or in Israel.

As might be expected, the boycott operates in this country largely behind closed doors. We know that it has been resisted by many American companies but those that have complied with it naturally refrain from boasting about their doing so. Nevertheless, some information is available.

## EXPORT ADMINISTRATION ACT REGULATIONS

Under the Export Administration Act of 1969, as amended in 1972, all exporters are required to report any requests they receive for furnishing information or signing contracts contrary to the policy of the United States, set forth in section 2402(5) A, “to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States.” Under rules adopted by the Department, these reports are made to the Office of Export Administration. We have been informed by that office that 1,152 transactions of the kind covered by this provision were reported in 1973 and 785 in 1974.

## BOYCOTT PRESSURE IS SUBSTANTIAL

These figures standing by themselves show that the boycott pressure is substantial. Moreover, it is likely that they are no more than the tip of the iceberg. First, the regulations apply only to exporters. Second, it is likely that the requirement has been widely ignored, particularly by those who have yielded to the boycott demands.

We believe that more information about the impact of the Arab boycott can be obtained from these reports than the mere figures given above for the total number of transactions. The reports contain information concerning whether the reporting firm complied with the boycott. We respectfully suggest that this subcommittee request the Office of Export Administration to supply whatever additional information is available.

The boycott has been in effect 25 years. This subcommittee will no doubt attempt to determine just how effective it has been, on the basis of the information it receives from the Department of Commerce and from other witnesses at this hearing.

## PETRODOLLARS CREATE NEW ARAB STRENGTH

We believe, however, that the subcommittee must go beyond consideration of what has happened. It must recognize that an entirely new situation has developed as a result of the increased economic strength which the boycotting nations have derived in the last 18 months from petrodollars. It is essential that the U.S. Congress act preventively to halt discrimination, rather than retroactively after discrimination has become endemic in the business affairs of this Nation.



## STRONGER LEGISLATION NEEDED

We think legislation is necessary and desirable now, first to serve as a clear statement of the United States unwillingness to accept the importation of foreign economic blackmail into our society. Second, we should have legislation to provide our own U.S. citizens and businessmen with a greater ability to resist the economic threats. We also need legislation to prevent the development in the United States of a way of economic life which is totally incompatible with our society.

The lessons of recent times are applicable even in this case. Early signs of violations of human and civil rights deserve and require early and decisive action.

We, therefore, suggest preparation and adoption of legislation that would make it illegal to engage in commercial discrimination in this country or to solicit acts of such discrimination. Like the boycott, such a law could have two aspects.

## DISCRIMINATION BY U.S. COMPANIES SHOULD BE BARRED

First: It would simply bar discrimination based on race, religion, national origin, or sex by companies operating here, not only in employment, where it is now prohibited, but also in the selection of officers, suppliers, customers, and others participating in business arrangements.

## PROHIBIT DISCRIMINATION AGAINST FRIENDLY NATIONS

Second: It would prohibit such discrimination against any friendly country, or its nationals, because of the policy of another country. The core of this second aspect would be provisions making it impossible for any country to force American businessmen to carry on its battles with another country.

Enforcing provisions could include making acts or solicitations of such discrimination subject to severe criminal sanctions. Aggrieved parties could be allowed to sue for actual and punitive damages. Any agreement to discriminate will be unenforceable in Federal and State courts. In addition, appropriate antidiscrimination provisions could be required in full Government contracts.

Such a law, we believe, would be a logical extension of the laws adopted over the last few decades, imbedding in our legal system the Nation's hostility to invidious discrimination.

We believe these protections are indispensable to our national interest and essential to prevent the destruction of our domestic economy and the distortion of our foreign policy by unacceptable pressures from abroad. The American people are entitled to require that companies operating in America, in pursuing their economic objectives, shall not sacrifice the national interest or abandon this country's commitment to equality for all its citizens.

## ARAB INVESTMENTS NEED SAFEGUARDS

If Arab investments are to be accepted in the United States, they must be accompanied by valid and credible safeguards, required by law, that will insure against collaboration by any company doing busi-

ness in the United States in the invidious discrimination that already has defaced business practice in certain European countries and before it is able to deface it here.

Thank you.

Mr. BINGHAM. Thank you, Mr. Berger.

Mr. Graubard.

## STATEMENT OF SEYMOUR GRAUBARD, NATIONAL CHAIRMAN, ANTI-DEFAMATION LEAGUE, B'NAI B'RITH

Seymour Graubard was born in New York City on March 8, 1911. He attended Columbia University earning his B.A. in 1931 and an LL.B. in 1933. He was admitted to the New York bar in 1933.

Mr. Graubard has served in many capacities including law secretary to the comptroller of New York City and secretary to a justice of the Supreme Court of New York County. He is presently a member of the law firm Graubard, Moskovitz, McGoldrick, Dannett & Horowitz. He is also serving as the National Chairman of the Anti-Defamation League of B'nai B'rith.

Mr. Graubard is married and has one daughter. He resides and works in New York City.

Mr. GRAUBARD. Thank you, sir.

Thank you for your invitation to give testimony here today.

As Mr. Berger has stated, I have the honor of speaking, as well, for the American Jewish Committee and the American Jewish Congress.

Accompanying me, on my right, is David Brody, who is the Washington representative of the Anti-Defamation League.

All of these organizations have been in the forefront of efforts over the years to defend the security and the rights not only of Jews but of all minorities in the United States.

### BACKGROUND TO ARAB BOYCOTT

I address myself first to the subject of the Arab boycott. The Arab boycott operation dates back to 1945—even before the State of Israel was established—and was in a real sense the economic gun in the Arab League's economic warfare campaign against Israel that continues to this very day. At that time, it was aimed at blocking the establishment of the Jewish State. That effort failed.

Today, the Arab boycott aims at the economic strangulation of Israel in line with Arab League political policy to destroy that nation. To carry out that objective, the oil-producing Arab nations are using their oil and their petrodollars to undermine the support of all those friendly to Israel, specifically including American citizens of the Jewish faith.

At first, the Arab League merely sought to prevent its own nationals from importing Israeli goods. But in 1950, it broadened its boycott to include third persons by blacklisting ships transporting goods or people to the State of Israel.

Another step backwards was taken in 1955, with the organization of the central boycott office in Damascus. Formal regulations were adopted and each member state organized its own local boycott office with its own boycott regulations. Today, there are variations in the local regulations and in the interpretation of the boycott rules by the member states. Some of the decisions of these nations are, to say the least, capricious and some are absurd.

## AFFIDAVIT REQUIRED TO DO BUSINESS WITH ARABS

There are three basic documents used by the Arab boycott office in Damascus to carry out the operations of the boycott. The first is an affidavit to be submitted by firms undertaking business activity in the Arab States for the first time. The affidavit must proclaim that the firm is not practicing any boycottable offense and must be signed by a corporate officer and notarized.

## CERTIFICATE OF ORIGIN

The second document is a certificate of origin, which must accompany goods shipped to the Arab States—actually a “negative” certificate of origin. It certifies that none of the goods being shipped, or their components, are of Israeli origin. A few of the Arab States do not, it is reported, insist on these negative certificates of origin, but instead, rely on their customs officials to uncover contraband products on arrival in port.

## QUESTIONNAIRES LETTER

The third basic document used in the Arab boycott operation is a questionnaire letter sent by the central boycott office, or a regional office, directly to a firm suspected of dealings with Israel, or to its local distributor.

This document contains a series of searching questions and specific inquiries that embody the basic criteria used by the Arab States to determine violations of their boycott by the firm under scrutiny. At the same time the letters include clear threats that the company in question will have to give up the Arab market if it is in violation of the Arab boycott regulations.

There are three possible results: the firm admits it has economic ties with Israel and is given 3 months—in some cases 6—to sever its relations with the Jewish State. Or, the firm denies any such ties with Israel and its denial is either accepted or disapproved by the boycott office. In the latter case, the firm is given 3 months to comply with the boycott. If the firm fails to reply within 6 weeks, it is placed on the blacklist even though it may not have violated the regulations.

Failure to answer the original letter results in the firm being placed on the Arab blacklist.

## CRITERIA EMBODIED IN QUESTIONS

There are seven basic criteria embodied in the questions asked by the Arab boycott office:

1. Do you have branch factories in Israel?
2. Do you have assembly plants in Israel?
3. Do you have in Israel either general agencies or main offices for your Middle East operations?
4. Did you give Israeli companies the right to use your patents or trademarks.
5. Do you subscribe or invest in Israeli companies or factories?
6. Do you or have you rendered consultative services and/or technical experience to Israeli companies or factories?

7. Have you a branch of your company in Israel, and if you do, define its position with respect to your company?

Since the Arab oil-producing nations quadrupled the price of oil, they have been using their muscle to intensify and expand their boycott to include investments and actions against Jews wherever they are situated. Their power increases monthly with some \$4-\$5 billion added to the Arab surpluses each month. Much of this money is being used for purchases and contracts, and we shall illustrate the manner in which these petrodollars are used to violate American law.

#### DISTINCTION BETWEEN ARAB BOYCOTT AND UNITED STATES BOYCOTTS

But first, it is important to draw a distinction between what the Arabs are doing and U.S. restrictions that have existed with respect to trade with countries like Cuba and China. There is a clear distinction between what our Nation has done and what the Arab League is doing.

Our Government's trade restrictions have been imposed against certain countries, which, at the time, we have deemed to be unfriendly. Our restrictions have applied only to U.S. citizens and residents, U.S. businesses, and to products of U.S. origin. Contrariwise, the Arab boycott involves third parties encompassing business firms in the United States and elsewhere in the world. It now reaches into the area forbidding the employment of American Jews on matters dealing with trade or employment where Arab contracts are involved.

Let me give you some examples:

#### STEAMSHIP COMPANIES ARE TARGET OF BOYCOTT

It is now a matter of public information that steamship companies dealing with the Mideast Arab nations must certify that they do not carry merchandise included on the Arab boycott blacklist, they do not belong to the State of Israel or to any Israeli subject and they will not stop at an Israeli port. Fourteen steamship lines have been named, and three of these lines are American flagships, federally subsidized. These are the Waterman Steamship Co., the Lykes Bros. Steamship Co., Inc., and American Export Isbrandtsen Lines, Inc.

[The certifications of these three American-flag ships follow:]

#### BOYCOTT COMPLIANCE CERTIFICATIONS OF THREE AMERICAN-FLAG SHIPS

WATERMAN STEAMSHIP CORP.,  
New York, N.Y.

GENTLEMEN: The following information concerning this vessel is true and correct.

Flag: This vessel is enrolled under the United States Flag.

Israel clause: It will not call at any Israeli port prior to calling at the port of discharge named in this bill of lading.

Arab League: It is not blacklisted by the Arab League.

Jordan: It is not blacklisted by the Government of Jordan.

Liner: This shipment is based on Liner Times and no demurrage or dispatch has been incurred at port of loading, or will be incurred at discharge port.

Cuban clause: This vessel has not called at any port in Cuba since January 1, 1969.

AID ban: The vessel owner or operator, certifies that the vessel which will perform under this contract is not a vessel which has been banned by AID for transporting AID financed goods. The vessel owner or operator further certifies

that they assume full responsibility for any claims filed by AID/WASHINGTON or any other authority in case of violation of the requirement.

Very truly yours,

WATERMAN STEAMSHIP CORP.

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LYKES BROS. STEAMSHIP CO., INC.,  
New York, N.Y.

*To Whom It May Concern:*

We hereby certify that above-named vessel is not of Israeli origin and will not call at any Israeli ports of call and nor is it to the best of our knowledge black listed by the ARAB Boycott Bureau of Israel.

Very truly yours,

LYKES BROS. STEAMSHIP CO., INC.

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AMERICAN EXPORT ISBRANDTSEN LINES, INC.,  
New York, N.Y.

*To whom it may concern:*

Re: Shipment was not effected by an Israeli means of transportation.

This vessel is not to call at any Israeli port and will not pass through the territorial waters of Israeli, prior to unloading in Lebanon, unless the ship is in distress or subject to force majeure. No transshipment is allowed unless the vessel is unable to proceed to destination because it is in distress or subject to force majeure.

We hereby certify that to the best of our knowledge the vessel carrying the above mentioned goods is not included on the *ARAB BOYCOTT BLACKLIST*.

Very truly yours,

AMERICAN EXPORT ISBRANDTSEN LINES, INC.

These actions by the steamship companies are in violation of the Shipping Act of 1916, as amended, which calls for a penalty of "not more than \$25,000" for "refusing, or threatening to refuse, space accommodations when such are available, or resort to other discriminating or unfair methods \* \* \*" [46 U.S.C. Sec. 812].

Furthermore, the Export Administration Act of 1969 declares it to be the "policy of the United States to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries" against friendly nations and requires that the Department of Commerce be notified of requests for such discriminatory compliance.

#### LETTERS OF CREDIT

Banks issuing letters of credit in Mideast commerce, pursuant to the instructions of the Arab payers, have been insisting upon receiving certificates of compliance with the Arab boycott as a condition precedent to making payment. Among the banks which have engaged in this practice are the First National City Bank, the First National Bank of Chicago, the Irving Trust Co., and the Chemical Bank.

This practice is contrary to the stated policy of the United States as specifically announced in the Export Administration Act.

This law requires extensive amendment so that it can be used to implement the stated policy of the United States of America. The strengthened law must cover those institutions like banks involved in the shipping process as well as covering the exporters themselves.

#### DISCRIMINATION IN ARMY CORPS OF ENGINEERS

At least one Government agency, the Army Corps of Engineers, which oversees construction work in Saudi Arabia, is in violation of



title VII of the Civil Rights Act of 1964, as amended in 1972, 42 U.S.C. 2000e-2, which makes it an unlawful employment practice for an employer to discriminate against any individual with respect to his conditions or privileges of employment because of such individual's religion.

The Army Corps has admitted it does not send Jewish personnel to certain Arab countries in compliance with the demands of those countries. The Army, at least, should be an equal opportunity employer.

We have also learned that private employers seeking Arab investment contracts have been induced to similarly violate the Civil Rights Act.

#### STRONGER LEGISLATION NEEDED

We would urge that legislation be enacted which would penalize those who refuse to do business with any person because of his religion, race, or national origin. We support the statement made by Mr. Berger in regard to such legislation.

We would also urge that legislation be enacted which would penalize those who discriminate against persons or companies who do business with, or are otherwise connected to, any friendly country.

We would urge you, also, Mr. Chairman, to broaden your investigation to probe the full extent of Arab investment practices here and overseas and to examine evidence of Arab anti-Israel or anti-Jewish demands as the price of the investments.

In presenting the above analysis and the need for implementation of existing laws, we realize that we are presenting information with which other committees of this Congress may be concerned. However, our basic difficulties stem from American relationships to various foreign nations, and this is a matter of direct concern to this committee.

When a group of foreign nations combines to require acts to be done in the United States in violation of U.S. laws and policies, there should be action by the Congress and the executive arm of the Government to prevent the intrusion of foreign discriminatory practices into our affairs.

We are not suggesting a diplomatic break in the friendly relations of our Nation with the Arab boycotting nations, but we have every right to insist that the continuation of friendly relations be premised on the inviolability of our own declared policies and constitutional principles.

Mr. BINGHAM. Thank you very much, Mr. Graubard.

We now have Mr. Hyman Bookbinder, Washington representative of the American Jewish Committee.

#### STATEMENT OF HYMAN BOOKBINDER, WASHINGTON REPRESENTATIVE, AMERICAN JEWISH COMMITTEE

Hyman Bookbinder, Washington Representative of the American Jewish Committee has served in a number of key government and "public-interest" positions. He was Executive Officer of the President's task force on Poverty in early 1964 and then served as Assistant Director of the Office of Economic Opportunity from its inception in 1964 until he joined the Committee in 1967. His responsibility was that of marshalling private resources to assist in the War on Poverty. From 1965 to 1967, while serving in the OEO, he also held the post of Special Assistant to Vice President Hubert Humphrey.

As Washington Representative of the AJC he maintains liaison between the Committee and agencies of the government, with foreign embassies, and with Washington representatives of other religious, civic and human relations agencies. He works closely with the National Urban Coalition, the Leadership Conference on Civil Rights, and other groups concerned with issues of human rights and equal opportunity. He serves as Executive Secretary of the National Advisory Panel to AJC, a group of leading scholars and practitioners in the political and social sciences.

Mr. Bookbinder is the author of *Washington Letter*, a periodic review of major developments on the Washington scene. He has participated in numerous TV and radio "talk shows" on public affairs issues.

Born in New York City in 1916 of Polish immigrant parents, Mr. Bookbinder attended City College (B.B.S. 1937) and New York University and the New School for Social Research where he did his graduate work in economics, sociology, and political science. He served in the Navy during World War II.

Since joining the AJC staff, Mr. Bookbinder has assumed additional responsibilities, including Washington Chairman of the Ad Hoc Committee on the Human Rights and Genocide Treaties; Director of the PAX Fund; Chairman of the Public Policy Committee of the Advisory Council of National Organizations to the Corporation for Public Broadcasting.

He is married to the former Bertha Losev. He has two daughters: Mrs. Ellen Cohen, who lives in New York City, New York, and Amy, who lives in Northampton, Mass. He has two grandchildren, Michael and Rebecca Cohen.

Mr. BOOKBINDER. I wish to associate myself with both of the excellent statements you have heard.

It is no accident I agree with both of them, because I am happy to say, the three agencies have been working closely and cooperatively in order to share our resources and our ability to analyze and see what is going on.

I thought I would content myself with saying, "me too," but I do want to make some observations that I hope you won't consider irrelevant to what we are talking about.

#### TERRORISM

Like millions of people in Israel itself and around the world—I did not sleep very much last night—I heard the midnight news bulletins about the new terror in Tel Aviv from my radio near the bed, and as a result, I did not shut that radio off until this morning, listening constantly for the details as they were developing. And when I got out of bed this morning, I sat down at my typewriter and wrote out one page of comments that I just feel compelled to make part of this record.

The world has again—during these last 18 or 20 hours—been struck by the brutal terrorism of a gang of murderers, who would have us believe their obscene and hateful acts were motivated by some noble purpose. Thirty years after the holocaust perpetrated by Hitler, it is, hopefully, not difficult for anyone to see that wanton murder can never be reconciled with noble aims.

There is nothing quite as horrible as terror directed at innocent people, men, women, and children. Yet, I do not hesitate to say, what happened in Tel Aviv this morning and what we are discussing at this moment at this hearing are really part of the same phenomenon; they are a variance of a repugnant strategy, a substitution of terror and brutal force for intelligence and reasoning and negotiations.

Not confident in their ability to persuade the world that their goal of destroying Israel is legitimate, the Arafats and the Habashes of the

Arab world have embarked on the use of terror—physical, diplomatic, psychological and economic—to win their victory. And to their everlasting shame, other Arab leaders—and some non-Arabs—have either embraced the use of terror or failed to resist it.

#### ECONOMIC TERRORISM

And so, it is with a great sense of pride in my own country that I say to you that America stands tall today in its determination to resist the economic terrorism that is now being directed against us. The recent statement of the President, the comments of the Secretary of State and the many declarations and actions taken by various congressional committees, all of these attest to the determination of the Government of the United States not to be taken hostage by economic terrorists.

Now that the will to resist has been so clearly articulated, we must find the way, or ways, to make that will effective.

There clearly have been defaults in the past. I am less concerned with finding fault for past mistakes than seeking effective answers for the present and the future. This hearing is an important part of the search for the most effective remedies. We are ready to help.

I do not pretend to be objective about the Middle East conflict. But I sincerely believe that the matter before you today goes way beyond the merits of the Middle East dispute as such. It is whether the United States will accept terror—physical or economic—as a legitimate instrument of international policy. It cannot. It must not. I pray that it will not.

Mr. BINGHAM. Thank you very much, Mr. Bookbinder.

Thank you all three, gentlemen.

Mr. Brody, do you care to add anything?

#### STATEMENT OF DAVID A. BRODY, DIRECTOR, WASHINGTON OFFICE, ANTI-DEFAMATION LEAGUE, B'NAI B'RITH

As Director of the Washington Office of the Anti-Defamation League of B'nai B'rith, David A. Brody represents the ADL in its relations with the Executive and Legislative branches of the federal government in areas of Jewish concern including Israel and Soviet Jewry, civil rights, civil liberties and social welfare issues. He brings to his post a wealth of background and experience in the human relations field, as well as an extensive knowledge of government operations.

Mr. Brody has served as chairman of the National Civil Liberties Clearing House and as a member of the Executive Committee of the Leadership Conference on Civil Rights. He is a member of Senator Mathias' Service Academies Personal Review Board which helps the Senator evaluate and select nominees for West Point and the Naval and Air Force Academies. He has also served as President of the Washington Chapter of the City College of New York Alumni Association.

Mr. Brody was born in Brooklyn, New York. He is a graduate of the College of the City of New York and the Columbia University School of Law where he was an Editor of the *Columbia Law Review*. He is a member of Phi Beta Kappa.

Before coming to the League, Mr. Brody served as an attorney with the United States Department of Agriculture. In World War II, he served as a Legal Assistance Officer in the Navy.

Mr. Brody is a member of the Bars of the U. S. Supreme Court, the District of Columbia and the State of New York.



Mr. BRODY. No, I will let the record rest on the three excellent statements made by these three outstanding gentlemen.

Mr. BINGHAM. Thank you.

"JUDENREIN"

Mr. Berger, I was struck by the statement you made, on page 2, that "The boycott demands that companies doing business with Arab lands, including American companies, must make themselves 'judenrein'—with respect to officers, employees and those with whom they do business." That seems to me almost the most severe charge that has been made that I have seen, with respect to the boycott, and I wonder if you can illustrate the point.

Mr. BERGER. I think that, as a matter of fact, Mr. Graubard, in his statement, indicated the growing tendency to seek to impose on American companies the condition that, if you are going to do business with the Arab world, that you do it with people that are acceptable to them, and that is a growing development.

AMERICAN JEWISH CONGRESS VERSUS ARAMCO

It is the latest growing development in this effort of economic boycott. It was the kind of thing that began some time ago—for example, the American Jewish Congress had a litigation in the State of New York against Aramco. Aramco, in the United States, was not hiring any Jews, not only for work in the Arab countries, but here in the United States at Aramco.

The American Jewish Congress won that litigation.

Mr. BINGHAM. What was the outcome of that litigation?

Mr. BERGER. The American Jewish Congress prevailed in litigation and Aramco moved out of the State of New York, so it is no longer subject to the civil rights' legislation in the State of New York. It was a "pyrrhic" victory.

Now, Aramco is advertising for physicians to serve its company, and when you call up and ask for information concerning job availability, the point is made to the applicant—I am advised that, of course, Jewish people need not apply.

I believe that Mr. Graubard may have other recent experiences of that kind of situation.

Mr. BINGHAM. May I just point out that, I think Aramco's policies are quite well-known. I myself visited the Aramco enclave in Saudi Arabia a little over a year ago, and it is perfectly clear what their policies are. But that is a different situation because that is a company doing business in an Arab land.

Mr. BERGER. I am talking about employees here in the United States.

Mr. BRODY. Mr. Chairman, I would say this: That recruiting in this country for employment overseas where the recruiting is of a discriminatory character is a violation of the 1964 Civil Rights Act.

Mr. BINGHAM. I have no doubt that is true.

That is not what is referred to here.

Mr. BERGER. The Congressman is talking about actually working here in the United States. As I said, Aramco was not only doing

that with respect to its operations abroad, but with respect to its offices here in the United States. There are other illustrations of that.

Mr. GRATBARD. I would like to give an illustration along the Aramco line, but which is so extreme that I think it merits telling to this subcommittee.

#### DISCRIMINATION IN HIRING FOR AMERICAN SCHOOLS ABROAD

There are American schools established around the world with American teachers to teach children of Americans, who are residents in various countries, particularly, including, I may say, the Arab oil-producing countries. American engineers contract for a period of 3 to 5 years to go abroad. They are given housing accommodations, and since they require that their families go with them for such an extended period, they are provided with American schools for their children.

Now, these American schools are paid for in part by the companies that want them and in part by public funds. In recruiting American teachers, the International School Services, which is entrusted with that worthy job, has asked the cooperation of the offices of education of the various States: question your teachers, see who would like to go abroad for 2 or more years at a good salary, and have the experience and we can place them.

Now, here is a letter from the Illinois Office of Education, dated January 31, 1975, in which, reciting the requirements of the ISS, the International School Services, they wrote to placement directors as follows, in part:

\* \* \* Because of some of the problems in the Middle East, presently, I.S.S. cannot employ, for these positions, any teacher who has a Jewish surname, or who is an American Jew, or who has Jewish ancestors. Please check on this before you refer anyone.

Subsequently, I must say, on February 5, having received complaints about this letter, the Illinois Office of Education took action to rectify the dreadful error.

[The letters referred to follow:]

#### CORRESPONDENCE OF THE ILLINOIS OFFICE OF EDUCATION CONCERNING RECRUITING REQUIREMENTS OF THE INTERNATIONAL SCHOOLS SERVICES (I.S.S.)

ILLINOIS OFFICE OF EDUCATION,  
*Springfield, Ill., January 31, 1975.*

DEAR PLACEMENT DIRECTOR: Our office was contacted yesterday by Mr. Hal Greeney, Director of the Educational Staffing Program, for International Schools Services in New Jersey. His organization is in need of three teachers for the fall semester and wanted to know if Illinois could help him on short notice.

All three vacancies are in the same school located in the country of Dubai in Arab territory near the Persian Gulf. The school is K-9 elementary with 350 students, mostly American, and are children of oil company employees there.

This is what he needs: 1 Elementary Girl's P.E., teacher, should be single (because of housing facilities available) and must have 2 years of recent teachings experience. The salary will be \$13,460 a year. She would have charge of the total P.E. program in that school. He also needs a community recreation instructor, someone, with P.E., Parks and Recreation background, and 2 years experience in this kind of position, if possible. This individual will be asked to set up a program of recreation for all age levels in the community there. The salary range will be from \$17,000-\$20,000 a year. Mr. Greeney said they would consider either a male or female for this position.

The third position is for an Education Psychologist. He wants someone with 4 years of experience as a school psychologist, preferably at the elementary level. At least one year of experience must have been in a clinical setting. The salary for this position will range from \$17,000 to \$20,000 also.

ISS will pay the round trip travel expense, including dependents for those employed. Housing will be furnished free. After 18 months overseas, all income is tax free.

Because of some of the problems in the Middle East presently, ISS cannot employ for these positions any teacher who has a Jewish surname or the who is an American Jew or who have Jewish ancestors. Please check on this before you refer anyone!

There is a sense of urgency also. One of the ISS recruiters will start interviewing for these positions in about 2 weeks. If you have any qualified people who are interested in an interview with ISS, Mr. Greeney would like to receive a call to that effect as soon as possible. You may call him personally, collect, and tell him about those you are referring. Please do not encourage applicants to do this however. Mr. Greeney can be reached at 609/921-9110.

At our last International Teaching Opportunities Conference in Chicago, Mr. Greeney spoke on the needs of his organization and we have kept in touch with his office since that time. I hope that somehow we can help him in filling these vacancies and I know it would be a feather in your cap to be able to place one of your people in any of these positions.

If you have any questions about anything I've said, please feel free to call me (217/782-6350). I would prefer that you make the calls to Mr. Greeney concerning any good applicants you may have, because you know them better than anyone else, however, I will be happy to assist if you want me to. Happy hunting!

Sincerely,

E. DARRELL ELDER,  
*Assistant Director, Teacher Placement.*

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ILLINOIS OFFICE OF EDUCATION,  
*Springfield, Ill., February 5, 1975.*

Mr. HAROLD F. GREENEY,  
*Director of the Educational Staffing Program, International Schools Service, 126 Alexander Street, Princeton, N.J.*

DEAR MR. GREENEY: I have learned that you notified my office's Assistant Director of the Teacher Placement Unit, Mr. E. Darrell Elder, about vacancies in the Country of Dubai. I understand you personally telephoned him and requested his assistance in locating possible applicants.

In making your request for applicants, I understand you informed him that applicants of a certain ethnic background would not be considered and should not apply. Mr. Elder proceeded to publish your request in writing.

For whatever reason your association may wish to screen and consider applicants for foreign service placements, I wish you to understand that it is the policy of my office to report vacancy information in a manner that is totally non-discriminatory. This policy is totally consistent with the requirements of both Illinois and federal statutes. I understand the association of this office with the International Schools Services has been useful for locating foreign teaching positions for Illinois professional educators. That association will be immediately terminated if discriminatory qualifications, in violation of State and federal statutes, are placed on applicants.

Sincerely,

JOSEPH M. CRONIN,  
*State Superintendent of Education.*

Mr. GRAUBARD. We are all too inclined to take it for granted that we are supplicants before the almighty petrodollar. Suppose there is no recruitment in line with Arab terms, and therefore, suppose they do not get teachers from the United States to man these American schools. And supposing then the American engineers say, we will not go to these lands unless we can get American schooling for our children and, therefore, we are not going to go, And then, the Arab

nations have to face up to the proposition, what is more important to them; to have the American schools in order to have the American engineers, or to enforce this anti-Jewish edict.

And we feel that the enforcement of the Civil Rights Act should bring about a wholesome result and certainly prevent activities in the United States of this nature.

Now, I am not saying that the International School Services is willfully anti-Jewish. I hope they regret what they did.

But this is a case when the I.S.S. was pushed into a violation of a Federal statute by the Arabs.

#### DISCRIMINATION IN U.S. COMPANIES IN AMERICA

Mr. BINGHAM. May I point out that, in both the cases you are speaking of, I think, you are speaking of what is a violation of existing law. I would have no doubt that, whether their motives were good or not, the International School Services—and I was aware of this case from your press release of February 25—were in violation of the law. But what I am trying to get at is the more complicated case. Maybe there are not many but you have referred to them here in Mr. Berger's statement—you have one such that you mention in your February 25 press release, which is that Guaranteed Mortgage Services, Inc., and Wizard Mortgage Banking Corp. of Lakewood, Colo., wrote a letter offering short- and long-term investment funds to a Denver bank with the proviso that "no board member or director shall be Jewish and no stockholder controlling 20 percent or more of the banks outstanding stock be Jewish." That is a most extreme form of this kind of thing that you referred to and Mr. Berger referred to in your statement.

Mr. GRAUBARD. There is no other case as extreme as that in our files. We do have others, however, which may be of interest to this subcommittee.

For example, we have the instance of an architectural firm, which has ceased to employ Jews since it got a major contract abroad.

We have an example of consulting engineers given a large contract, which it had to subcontract out to various firms, and which refused to take the lowest bidder in one case because it said you are Jewish and you will not be acceptable.

We have instances where American employees of corporations who are Jewish are told, you have to take on other duties. We cannot have you associated with the work that is being done for the Arab nations.

Mr. Chairman, we are only seeing the beginning of this development. Until now, the Arab funds were insufficient to make for major contracts and for investments in the United States.

Today, however, as I stated, they are amassing money at a tremendous rate. They have to invest and spend these moneys. There is no place in the world which can give them the kinds of know-how, the kinds of products that our country has.

#### ARABS NEED AMERICAN TECHNOLOGY

I deplore the fact that so many corporations now seem to take the position that the Arabs have the money and therefore they are our masters; that we have to do their bidding. The fact is that American

techniques and America's knowledge stand on their own two feet. The Arabs need us more than we need them.

The balance of payments is one thing; we can balance that if it ever becomes necessary by doing with less Arab-imported oil. But the Arabs cannot develop themselves without American support, and they should be prohibited from coming to our country and changing our fair, equal opportunity employment patterns, our normal method of doing business, by having efficiency and price, competitively, determine who the contractor shall be.

And, if the Congress takes a strong stand in regard to these principles, I think the threat of the expanded Arab boycott, which we are now facing, will disappear.

#### BOYCOTT APPLIED TO EUROPEAN FIRMS WITH JEWISH INTERESTS

Mr. BERGER. Mr. Bingham, you asked this specific question—and relating to it briefly. First, we would like the opportunity to submit further illustrations for the record, but in addition to that, may I point out, in the New York Times, in February, there was a series of stories about what was happening with respect to the economic and the lending market in England and in France, and what they made clear was the boycott applied to firms that had Jewish interests.

It was not related to the question of, were these financial institutions lending money in Israel, but rather, were they Jewish banks? Did they have Jewish people in them?

Now, those acts took place outside the United States—and they are reflected in the New York Times of February 12 and in other issues—they have not yet been widely publicized in the United States. We hope that they will not take place in the United States.

The English and the French Governments, either did not choose or did not feel they could deal with it. We should make it clear that that will not take place in the United States.

Now, in terms of additional specific illustrations that may have already started mounting in this aspect of—I would like the opportunity to supplement the record.

Mr. BINGHAM. Thank you.

I wish, in these cases, you would give us the names of the firms. I notice, in this press release, you referred to an east coast architectural firm. I think we should know who they are and have the identities.

I hammer on this a bit, because I am sure you recognize that while the boycott office admits that they are trying to boycott firms that deal with Israel, they deny that their boycott is aimed at firms which are Jewish or which are partly Jewish, and that is the point I think must be made clear.

Mr. GRAUBARD. Mr. Chairman, we do have information, and we will be glad to submit this. We will have a member of our staff come down to meet with a number of the staff of this subcommittee to go over these cases with the substantiating evidence.<sup>1</sup>

#### BOYCOTT DOES NOT DISTINGUISH BETWEEN ZIONISTS AND JEWS

Mr. BOOKBINDER. I would like to add, as important as is hard evidence, it is important to note in this particular kind of problem, we

<sup>1</sup>The material referred to was subsequently provided to the subcommittee by Mr. Graubard, and appears on p. 145.



are dealing more with preventive action than corrective action. Commonsense tells us that the distinction that the boycott office is making between zionists and Jews is simply not true.

If it were not so serious, it would really be a joke to advise this subcommittee that every one of the three agencies at this table is listed as part of the boycott list. We do not do business with Israel. It is obvious why we are on the list, though.

What we fear, and we do not say this in any sense of exaggerated fear, is that there could develop, and there are some small signs of the developing of, a chilling effect in this country, to some extent a self-imposed constraint, lest a Jewish member of a board of directors or a Jewish manager may eliminate us from competition. What is needed more than anything else is the kind of declaration of action by the Congress which will say to both the Arabs and to Americans, "We will not stand for this, and you can feel comfortable in living up to your own conscience and your own principles."

Mr. BINGHAM. I could not agree more with that statement. I think we certainly should do that.

Mr. Biester.

Mr. BIESTER. I wonder if we could pursue the line you initiated further to clarify my own thinking on where our sense of outrage should really focus.

It seems to me, we have got maybe two, maybe three basic problems or propositions.

#### DISCRIMINATION AGAINST AMERICAN JEWS SHOULD BE BARRED

In the area of petrodollars, recycling, and reinvestment in the United States, any effort on the part of Arabs to condition the dispensation of that investment on circumstances such as the discrimination against the people with Jewish backgrounds or, as you said, with Jewish family backgrounds and so forth, obviously is something that we should be deeply concerned about and have a right to be viciously indignant about and seeking to prevent.

I think the chairman's remarks and your remarks are appropriate in that respect. That, I would set as problem 1.

#### DISTINCTION BETWEEN BOYCOTT OF ISRAEL AND DISCRIMINATION AGAINST JEWS?

Problem 2, it seems to me, lies in the circumstances of the Arabs, who are at war with Israel, and who seek a boycott against those who trade with Israel. Now, while the former is an unpleasant intrusion into the standards and rights of citizens of a sovereign people, the second more normally falls within the history of warfare among peoples and among states.

I am wondering, if, in your own minds, you have a separation of, let's say, a hierarchy of concern, or indignation, with respect to those two.

Mr. BERGER. I would respectfully disagree with your observation that the second pattern falls within the hierarchy of acceptable practices.

Mr. BIESTER. I did not say whether it did. I asked whether, in fact, you saw a distinction.

Mr. BERGER. Clearly, there are levels of outrage that we, as Americans, should feel, when somebody tries to regulate or effect our own way of life.

As your fellow Member of Congress, Mr. Waxman noted, and as other spokesmen here in the United States have noted, it is not easy to distinguish between the manifestations of alleged anti-Israel activities with anti-Jewish activities. We submit, in the minds of those who are dealing with the boycott, if you look at the facts, they do not distinguish between the two and, therefore, it is difficult to, in regulating them in the United States, or seeking to make activities unlawful, to put your head in the sands, for us to put our head in the sands and say, the only thing we are concerned about is what you do with respect to American Jews in the United States.

Their objectives, as you look at the list of names, as you look at what they say—except when they are making a formal statement in opposition to something that somebody has said—does not distinguish between the two levels of activity.

Second, what is happening is a growing concern and trend of going beyond not only the question of are you merely directly doing business in Saudi Arabia or Kuwait, but are you going to provide a service here in the United States. And if you provide that service in the United States, first of all, are you a Jewish company; do you have Jews in important posts and, also, do you otherwise do business in Israel or with Israel?

Mr. BIESTER. All together?

Mr. BERGER. Yes, sir. Do your ships carry goods of Israeli origin, not in this deal, but in other deals totally unrelated?

They are all part of one package, and as Mr. Graubard pointed out, when the United States saw fit to restrict our activities with countries that we considered hostile, we regulated our citizens, our companies to implement a policy of the United States. We did not go to London and say, "Your London banker, who has come here to do business in the United States, cannot do business in the United States because you are also lending money to China." This is not consistent with our way of life, and I think because these are things meshed in the minds of the people who are seeking to implement and utilize the economic power, we must face it as it is being presented, and we must try to make sure that it is understood that in the United States, you cannot impose your economic philosophies of terror on this Nation.

Mr. BIESTER. It seems to me during the Vietnam war, the height of the Vietnam war, there was an effort in the Congress to achieve precisely that in terms of boycott.

Mr. WHALEN. If you will yield, Mr. Chairman, and Mr. Biester.

#### TRADING WITH THE ENEMY ACT

There is presently on the books, and has been for a long time, the Trading With the Enemy Act, which applies to those nations dealing with Cuba. We are not at war with Cuba but we view them as an enemy, and with Vietnam.

I think you, Mr. Chairman, experienced that in Africa, didn't you? So we do have on our statute books laws which—

Mr. BOOKBINDER. There is a distinction that has not been made yet. Congressman Biester raised the question as to whether Saudi Arabia

might be considered through international law or history to have a right.

In a sense they have a right. They have a right to be wrong in the kinds of policies they enact. The question before us is what restraints, if any, we have a right to put on American businesses and individuals in order to keep them from carrying out the nefarious purposes of the Arab nations.

#### DECLARATION OF BOYCOTT DISAPPROVAL IS INSUFFICIENT

The law that has been referred to was initially passed in 1965. It is a matter of law now in this country that the Congress has declared it to be our policy to disapprove assistance to those Arab boycotts. What we are now saying to you is, in light of recent developments—and Mr. Graubard did a good job of reminding you of the different economic situation now—we are saying it is not sufficient to have a declaration of disapproval. The time has now come to back up that position of disapproval with the kind of actions that would really make it not possible for Americans to cooperate in furthering that boycott directed against one of our allies.

#### BOYCOTT INCONSISTENT WITH MIDDLE EAST PEACE QUEST

Mr. BRODY. I would add this, Mr. Biester. If the Arabs are intent upon peace with Israel today, their action in intensifying the boycott against Israel, would seem to be in conflict and inconsistent with their professed intentions of peace because they are intensifying economic warfare against the State of Israel. Second, I think, as the Wall Street Journal observed in its February 14 editorial, there is not that clear demarcation or dichotomy which, as you indicated—let me quote the Wall Street Journal: “The blacklisting of these firms appears less to be an attempt to undermine Israel than an attempt to inject anti-Semitism into Western business practice.”

Mr. BIESTER. That is right, and I think that is the distinction that has occurred to me throughout this. And I don't want to be misunderstood about the question of hierarchies. But it seems to me we, as Americans, have a slightly lower level of indignation when they are applying a traditionally recognized mechanism, international law in terms of a boycott, but you have been very helpful here in clarifying the situation to the point where you demonstrate that this is not a dichotomy, that in fact these are mixed circumstances and the result of one necessarily has the impact of the other.

Mr. GRAUBARD. May I add one thing. I am going to comment on what Mr. Whalen said before.

#### AMERICAN BOYCOTT SYSTEM IS LIMITED TO UNITED STATES

In connection with the U.S. boycott regulations there have been a number of cases coming up of which the most common has been that an American corporation has a subsidiary in Canada and the subsidiary gets a big order from Cuba. The question then comes can the United States prohibit the parent corporation from allowing its subsidiary in Canada to ship to Cuba.

The Canadian Government has time and again said, “No, this is Canadian, on Canadian soil, we have no such boycott, we will do as we



please," and the U.S. State Department has retreated under those circumstances.

So you find that while there have been attempts to overreach in these circumstances, in practice the American boycott system is limited to the United States and I believe that the distinction I drew between the attempted Arab boycott and what has gone on and is going on in the United States is a valid distinction.

Mr. WHALEN. Your testimony on that point which had been troubling me is extremely helpful to me.

Mr. BINGHAM. Mr. Bonker.

Mr. BONKER. I would like to thank the gentlemen for their excellent testimony today. I believe it is timely and appropriate.

Mr. Graubard, you referred in your statement to several Federal statutes, the Shipping Act of 1916 and the Export Administration Act of 1969, which are apparently in violation in terms of discriminatory practices.

#### SHIPPING ACT OF 1916

I am particularly concerned about the Shipping Act of 1916. The House Committee on Merchant Marine and Fisheries is presently considering authorizations of construction and operational subsidies to shipbuilders. I think it would be helpful if you would call attention to that committee of these apparent violations as we are considering that authorization so we can remind the appropriate agency not to engage in subsidies when violations do occur.

Mr. GRAUBARD. We have called the attention of the Department of Commerce and the Maritime Commission, to the facts of this situation.

We have some hope now that President Ford has spoken on the matter that at least our request for an investigation and findings will be followed up. This we will know, I trust, shortly. I doubt that in view of the strong nature of President Ford's statements that the agencies under him will long delay in doing what they should have done years ago.

#### ARAB WEALTH GIVES ADDITIONAL POWER TO BOYCOTT

Mr. BONKER. What is your impression as to why those laws and policies have not been enforced?

Mr. GRAUBARD. Mainly because the Arab threat until recently has been largely a matter of paper rather than substance. You know that the Arab nations were deemed to be the suppliers of a raw material for many years, oil. They were underdeveloped, sparsely populated, they had no great force in international affairs and very little force in economic affairs.

The quadrupling of the price of oil and the takeover by the oil producing nations of American and other foreign corporations to keep oil profits within the Arab nations has changed things.

When you get \$4 billion to \$5 billion a month accumulating which the Arabs would like to invest so that they could get some profits you have a completely different situation than you have had in the past.

Now we find that the threat of impairing American principles contained in the Constitution and in our statutes is not an empty threat. We in the Anti-Defamation League over a period of years notified the

Department of Commerce about the certificates of compliance with the boycott regulations.

We had asked them in the past for the actual data of people reporting to them under the Export Administration Act, who had reported to them, as required under that act. They have refused to give us that information on the grounds it was confidential; and they have refused to act under the Shipping Act.

Today I think that even those people—or perhaps it is a new generation of people—no longer can afford to be silent and I think when a committee such as yours holds a public hearing and the word goes out we may now expect a stricter compliance with the mandates that the Congress lays down than we have had in the past.

#### EXPORT ADMINISTRATION ACT HAS NO "TEETH"

MR. BRODY. In addition, Mr. Bonker, one of the pieces of legislation to which you refer, the Export Administration Act has no teeth in it.

While it puts the United States squarely on record disapproving boycotts and other restrictive practices by foreign countries with which the United States maintains friendly relations, the legislation is hortatory in character. It encourages and requests domestic concerns not to comply with boycott requests but there is no penalty if an American business complies with the request.

MR. BONKER. You would suggest declarations to which you referred earlier that would also have the legal sanction.

MR. BRODY. Yes, sir, for example, when the legislation was originally introduced in 1965, on the Senate side it flatly prohibited American concerns from complying with the boycott, but when it was finally enacted the word "prohibit" was changed to "encourage and request" and the reason for the change was largely because of the opposition at that time of the Departments of State and Commerce who felt that this would be preferable to an absolute prohibition, and at that time the Departments of Commerce and State said "Let us rely upon diplomacy and friendly persuasion."

What we have seen in the last 10 years is that diplomacy and friendly persuasion have failed. I regret to say last week or 2 weeks ago when Senator Church's Multinational Corporations Subcommittee held hearings on the same question a State Department spokesman once again expressed a preference for persuasion and quiet diplomacy.

I think if we had had the language of the original legislation I do not think we would be sitting at this table today.

MR. BOOKBINDER. May I add a footnote. It is pitiful that the State Department representative also said at that time in answer to a question that the State Department has not been reviewing and analyzing all these reports required under that legislation. So not only was it not mandatory but our Government was not learning from the experience of the last 10 years in order to shape better policy for the State Department in 1975. To be saying that it had never sought to examine 10 years of records of cooperation with the boycott was rather disgraceful.

MR. BRODY. Plus the fact all the Department of Commerce does, to the best of my knowledge, is to content itself with the simple one sentence statement on the exporter's form which an exporter is re-

quired to file with the Department when he receives a discriminatory request.

After paraphrasing the language of the statute there is one sentence which reads, "Accordingly I (the Secretary) encourage and request individuals and firms receiving such requests to refuse to comply with them."

So far as I know that is the only thing which the Department of Commerce, which has the responsibility of enforcing the law, has done.

#### EXPORTERS WHO COMPLY WITH BOYCOTT SHOULD BE REVEALED

We have suggested to the Department that they make public the names of the exporters who comply with the boycott. Because, we argued, that after all it is the expressed sense of the Congress of the United States that we disapprove of compliance with these boycott requests.

One way to carry out the expressed congressional policy is to make it unpopular for American concerns to comply with the boycott. Instead, I think the Department has frustrated congressional policy.

To that extent I would respectfully suggest, Mr. Bingham, as Mr. Berger did before, that this subcommittee communicate with the Secretary of Commerce. I have had the Freedom of Information Act thrown in my face when I requested that they make this information available. I have not had a chance to look at the amendments to the Freedom of Information Act which passed last year, but I would think that if this subcommittee would make that request I would not have to look at the Freedom of Information Act to see whether I am entitled to it.

MR. BINGHAM. Is the gentleman's time—if the gentleman would yield, I would say we do intend to have representatives of the Department of Commerce in these hearings and we will certainly ask them about this.

MR. BONKER. That was the question I was going to ask.

No further questions.

MR. BINGHAM. Mr. Whalen.

MR. BOOKBINDER. And the State Department, too, I assume.

MR. BINGHAM. Yes.

MR. WHALEN. Thank you, Mr. Chairman.

I would like to pursue the point raised by Mr. Biester in another way through a series of questions.

It seems to me that from the testimony we have received this afternoon there are four specific kinds of boycott or blackmail. I think, therefore, we in Congress and the administration are going to have to address ourselves to four specific questions.

Let me just raise these questions. I think the first two are easy. The third maybe is a little more difficult to answer and the fourth is perhaps even more difficult.

#### PROHIBIT DISCRIMINATORY PERSONNEL PRACTICES OF U.S. GOVERNMENT

The first, should we prohibit discriminatory personnel practices of U.S. governmental agencies performing services with American per-

sommel in Arab nations? We do not send women. We do not send those of the Jewish faith to perform these practices, be it the Corps of Engineers, be it our Foreign Service officials. I think we would all certainly agree this is wrong, and this can be easily curbed by congressional oversight.

#### PROHIBIT DISCRIMINATORY PRACTICES OF U.S. FIRMS IN UNITED STATES

Second—this stems, of course, from the recycling of petrodollars. Should we prohibit discriminatory personnel practices of U.S. firms doing business with Arab nations in the United States?

The Arab nations say "No Jewish officers, no Jewish directors." Again this is contrary to existing laws. I think that can be curbed and, indeed, is prohibited by existing law.

#### PROHIBIT DISCRIMINATION OF U.S. FIRMS IN ARAB NATIONS?

Now, we get into a little more difficult situation. Should we and can we prohibit discrimination against the American personnel by U.S. firms doing business with Arab nations within the borders of these nations?

In other words, an Arab nation says, "All right, we will extend this contract to you but don't send any women, don't send any Americans of Jewish faith."

Now, could you comment on that.

Mr. BRODY. Doing the recruiting in this country?

Mr. WHALEN. Yes, sir.

#### DISCRIMINATORY RECRUITING IN THE UNITED STATES IS ILLEGAL

Mr. BRODY. Since they are doing the recruiting in this country, they are clearly in violation of the 1964 Civil Rights Act as amended by the 1972 act.

Mr. WHALEN. When you say "they" you mean?

Mr. BRODY. The American company, if it is doing recruiting in this country for employment abroad, if they are engaged in discriminatory recruiting, it is clearly a violation of title VII of the 1964 Civil Rights Act as amended, which you played a significant part in getting enacted. Mr. Whalen and Mr. Biester and not to overlook Mr. Bingham. But you two gentlemen Mr. Bonker and Mr. Solarz were not in the Congress at that time.

Mr. SOLARZ. We were on the picket line.

Mr. WHALEN. I just want to continue a bit on the third question.

Is there any effective way that we can stop this? For example a firm may have a substantial number of Jewish employees and they say, "Well, let's just not send any to Saudi Arabia." Is there any way we can effectively deal with this evasion of the 1964 Civil Rights Act?

Mr. BRODY. One thing we have suggested is that the Labor Department which oversees Government contracting programs—we have suggested and I think they will be doing it—is to notify all Government agencies that religion is one of the elements of the 1964 Civil Rights Act and that they should take a careful look at all contractors who are doing business in Arab countries.

## DIFFICULTY IN DETERMINING DISCRIMINATION

Now, I know—leaving this question aside—it is sometimes difficult to determine whether a domestic concern is engaged in a discriminatory employment practice generally.

It is always a matter of the evidence, and I think that is the same problem we have here, but I just say we have to emphasize, we have to take a careful look at the employment practices of those companies.

We also have to take a careful look at the practices of a company which, hoping to gain business in an Arab country, may voluntarily decide that they are going to remove a director or an officer or an employee.

Mr. WHALEN. Of course, this certainly does not apply to the Arab States. Mr. Waxman brought in the question of South Africa. Now, admittedly we are torn in the Congress as to what to do with American firms which employ black Africans, but it would seem to me that American citizens who are sent over to represent that U.S. firm in South Africa should not be discriminated against so there is a question of sending or not sending Americans to represent those firms.

So I say this question has broader implications than just the Middle East.

So we now come to the fourth question and it is a restatement really of the query posed by Mr. Biester. Nevertheless, I think it is one that is very significant and we are going to have to address ourselves to it.

## CONTRACTS WITH "TRADING WITH ISRAEL" RESTRICTIONS

That is, can we take any effective action against the Arab States which put trading with Israel restrictions in a contract?

That is the only form of discrimination, the only kind of boycott, saying to an American company, "Look, if you have a plant in Israel or a general sales office there, you cannot deal with us."

Mr. BRODY. If the Congress in 1965 enacted what is now part of the Export Administration Act to flatly prohibit cooperation on the part of American business concerns with that type of request, that is one way of—

Mr. WHALEN. What you are saying in effect, then, is no company could engage in commerce with the Arab States. Am I correct on that?

Mr. BRODY. No, what I am saying is that the Arab States should not be permitted to say, "if you want to do business with us, fine, but you can't send persons of the Jewish faith over or you can't send women, or if you deal with Israel, you cannot do business with us."

Mr. GRAUBARD. Earlier I gave an illustration with a nonprofit institution which supplies teachers. I tried to take a case where there was no element of greed on the part of the board of this institution; where they are trying to do a good job but find discriminatory conditions imposed upon them by the Arabs.

## BUSINESS WITH ARABS IS LUCRATIVE

There are other cases where people want to make profits of course and we are—because we are Americans, because we have all been



brought up on the profit motive system—kind of impressed with the fact that we should not throw away our chances of doing business with the Arab States and maybe we ought to make some concessions to them because they have a lot of money to spend.

The fact of the matter is, sir, the Arabs come to us when they can get a better product here and when they can get it cheaper than they can get it elsewhere.

#### UNITED STATES IS NOT A SUPPLICANT

We are not in the position of being supplicants. The Arabs need our know-how and our merchandise and if we were to say to the Arab States, "You cannot insist upon having discriminatory tactics in the United States contrary to American public policy—if you want to enforce this boycott provision or provisions of yours, you can go elsewhere"—I think it may take a few days or even a few weeks but we will find that the boycott conditions will disappear.

The American businessman also does not like to do business this way. Innately he likes to compete on a fair basis. Of course there are exceptions, but by and large I think what I say is correct and if our Government can help them to eliminate certificates of compliance with the Arab boycott, to eliminate violations of the civil rights law they will be appreciative.

Mr. WHALEN. Let me just restate that.

I think in response to the first question we have agreed that, certainly, our Federal agencies cannot discriminate.

Second, we certainly are not going to permit discrimination within our country.

Third, in hiring people to send to the Arab States we should not permit discrimination by private sector firms.

#### SOVEREIGN NATIONS HAVE RIGHT TO DETERMINE ENEMIES

But, fourth, I raise again the point that Saudi Arabia, the other Arab States, are sovereign nations and as sovereign nations they have the right to determine who their enemies are; the right to make a mistake; the right, as we do, to determine who our enemies are.

If we then say in effect, "Well, you can determine who your enemies are but you cannot legally trade with any American firm until you change that," my question is: Are we willing to enforce that which would really effectively terminate all commerce between American firms and Arab States?

Mr. BOOKBINDER. Since you have reformulated Mr. Biester's question let me reformulate my answer.

I accept Mr. Graubard's answer except with one regard—and you used those words in your question.

#### SHOULD UNITED STATES PUT REQUIREMENTS ON AMERICAN FIRMS?

The issue is not what we are going to tell Saudi Arabia it must do. They are a sovereign nation. We are talking about what we ought to do, as a matter of policy, tell American firms.

We are saying now—I think all three of us are agreed here, all three agencies are agreed—that the time has come for us to take the



1965 law and go from a declaration of policy to a declaration that you are not entitled to deal with Saudi Arabia or any other country if dealing with them is conditioned on boycotting an ally of ours.

In this case we are talking about Israel. But it need not be Israel. That does not apply to the Cuban analogy.

If this should become our policy, that would permit this country not to punish Saudi Arabia, but in fact to make it possible for the large majority of the American firms who want to do the right thing to help them do the right thing, because if every firm in America is under the same wraps then every firm will compete on bases other than the degree to which they are going to cooperate with these nefarious practices.

That is the central issue involved. Have we come to that point where we will make requirements on our firms? We are not talking to Saudi Arabia in that case except indirectly. We are talking to our own citizens and our own corporations as to what American foreign policy requires they now do.

Mr. WHALEN. I suppose in considering that concurrently, then, we are going to have to consider section 620 of the Foreign Aid Act which prohibits our furnishing assistance to those countries that deal with Cuba and deal with North Vietnam.

Mr. BINGHAM. Will the gentleman yield on that point?

Mr. WHALEN. We have, as Mr. Graubard pointed out, we have waived that. I don't think we are effectively enforcing that.

Mr. BINGHAM. It is true the Foreign Assistance Act has prohibited assistance to countries that traded with North Vietnam or with Cuba. I am not aware that we have in any law attempted to prohibit dealings with companies that trade with Cuba or North Vietnam.

Mr. BRODY. We have not gone into other countries to prevent them or their citizens from dealing with North Vietnam.

The difference here is Saudi Arabia is free to deal with Israel or not, as it sees fit. It is free to deal with us or not deal with the United States if we are considered to be friendly to the Israelis, but I do not think they should try to come in and impose restrictions on our citizens.

Mr. WHALEN. Let me just kind of restate, Mr. Bookbinder—what I think is the fundamental issue. Certainly if Saudi Arabia has the right to prescribe terms of a contract, you are suggesting that we in the United States do the same.

Mr. BOOKBINDER. Yes.

Mr. BERGER. I wanted to elaborate on the second point that Congressman Whalen mentioned. You referred to personnel practices. We are concerned not only with personnel practices but also actions which would discriminate with respect to customers, suppliers of goods or services, investors, creditors, or borrowers, because of race, religion, national origin, or sex.

Mr. WHALEN. I certainly would extend that beyond.

#### EXPORT ADMINISTRATION ACT OPPOSES BOYCOTTS OF FRIENDLY NATIONS

Mr. BERGER. With respect to your last point I want to reemphasize, section 240.25 of the act on export regulation which was enacted in 1969, specifically says that what you have addressed as item four is in fact the policy of the United States now, to oppose such practices, and

we are saying that because of—as I mentioned in response to Mr. Biester's question—the total interweaving of the whole problem, that it is essential to put teeth in that point as well.

Mr. BINGHAM. Mr. Solarz.

#### DISCRIMINATION IN COMMERCIAL TRANSACTIONS

Mr. SOLARZ. If I understand the thrust of your testimony today, it is essentially that discrimination in employment is prohibited under existing law but discrimination in commercial transactions, in effect, is not and you think that ought to be prohibited as well, that is any commercial or financial transaction, a condition of which would require an American corporation or firm to discriminate in its commercial dealings with other firms, ought to be prohibited.

I wonder what your reaction would be to legislation which would go one step beyond that and which would prohibit the participation of an American corporation, firm, individual, institution, or what-have-you, in any financial or commercial transaction in which, and from which, other American firms or individuals had precluded from participation on grounds of race, religion, or sex or any of the other prohibitions that are in existing law?

In other words, where you have a situation in which a given firm is not asked in any way, shape, manner, or form to discriminate with respect to its own employees or to discriminate with respect to any future dealings it may have, but where other firms are competing, as it were, for the same contract were denied the opportunity to get the benefits of that transaction by virtue of the fact that they had Jews in the firm, do you think that, under those circumstances, we ought to prohibit other firms from getting the benefit of the discrimination against others?

Mr. BERGER. That is a very real question because the situation described in the New York Times and other papers with respect to the financing programs that were being developed in Europe involved just that problem, where certain firms were excluded because they were Jewish. And we think the kind of legislation we hope Congress will consider would make that kind of an arrangement in the United States unlawful and any participants in the arrangements would be protected by the law in that they could not participate and nobody could solicit him to participate in that arrangement; and further that if he then allowed himself to participate in it he would be violating the law itself.

Mr. SOLARZ. Would that be the position of the other gentlemen and of other agencies that are represented here?

Mr. BOOKBINDER. I would like to see the language of your proposed legislation, but I think your thinking is in the right direction.

Mr. BRODY. An amendment which Senators Williams and Javits introduced to their bill, dealing with foreign takeovers would prohibit any foreign investor from acquiring any stock, any equity, securities, in American companies where that foreign investor had participated in any action to force other firms to boycott an American firm because it has business dealings in or with a foreign country which is friendly to the United States.

That carries out in that limited area the suggestion which you just made and certainly those firms who have been denied participation, let's say in a syndicate, have been injured by the action of the firm that has forced them out of the foreign country.

And I would agree with Mr. Berger that the firm which has been injured because of the foreign pressure might very well have a right of action against the company that forced it out.

Mr. BINGHAM. Mr. Solarz.

#### EXTENSIVENESS OF BOYCOTT PROHIBITIONS

Mr. SOLARZ. I have one more question. When Mr. Berger said that efforts were being made to determine companies that did business with those states that conducted the Arab boycott—are you suggesting an effort is now underway to require the systematic elimination of every Jew from every company that does business with the Arab countries?

I will give you an example. I was in Amman and I was struck by the fact they had Pepsi signs all over the place because in all the other countries in the world they have "Coke" signs. So I thought to myself maybe Pepsi people have a very enterprising marketing division.

Well, it turned out as I discovered that Coke is on the boycott list and Pepsi is not.

Are you saying that the Arab boycott office has now said to the management of Pepsi that every Jew who works for Pepsi anywhere in the world has to be fired or they are going to be kicked out?

Mr. BERGER. I am unaware of any such formal adoption of policy. I am aware of the beginnings of situations.

Where it is not part of their formal policy now, that is in fact what is happening.

I will, in accordance with the chairman's request, as Mr. Graubard, offer to supplement the record for what we now know of that situation.<sup>1</sup>

I am unaware, however, of a stated policy to say we are about to do that with respect to every company that we can but it is in fact an existing problem with certain situations.

Mr. SOLARZ. Thank you.

Mr. BINGHAM. I would just like to pursue for a moment the question that Mr. Whalen was getting at about the possibility of legislation aimed directly at the boycott as we understand it.

#### DIFFICULT TO LEGISLATE ALL ASPECTS OF BOYCOTT

It was before the Banking and Currency Commission and I recall Secretary Trowbridge testifying in favor. It seems to me I recall some discussion of the difficulty of a law that would reach all the aspects of a boycott. In other words you could prohibit a company from agreeing on paper to cooperation with the boycott—and that is perhaps what the bill was intended to do—but presumably you cannot reach

<sup>1</sup>The American Jewish Congress subsequently informed the subcommittee that the information referred to is confidential. The subcommittee is therefore unable to print this information in the hearing record.

the company that, let us say, is doing business in Israel and does not choose to try to do business in the Arab world. That is part of the boycott, if you will.

Mr. BRODY. A company doing business exclusively in Israel?

Mr. BINGHAM. And does not attempt to do business in the Arab world. You cannot reach that company.

Mr. BRODY. Precisely.

Mr. BINGHAM. I am not sure whether you can reach the company that is doing business in the Arab world and refuses to sign a certificate that it won't do business in Israel, but still does not do business in Israel.

Mr. BRODY. You could not reach that company.

While I have not seen the language myself of the Vinnell contract, I think what it says—and I may not be quoting it accurately—I have been told this: that no citizen of a country with which the Saudis do not have diplomatic relations may be employed on the contract and of course there can be no objection to that provision.

There is also a provision which prohibits the employment of a citizen of any country who has interests in a country which the Saudis do not maintain friendly relations.

Now I do not know what that word "interests" means.

Mr. BINGHAM. What contract is that?

Mr. BRODY. The Vinnell contract, the one that would send about 1,000 Vinnell employees to train the Saudis in defending their oil wells.

#### NO GUARANTEE FOR TOTAL COMPLIANCE WITH LAW

Mr. BOOKBINDER. I wanted to add, analogies are never perfect but we are dealing—like in the civil rights field—we are dealing in an area where no law can guarantee 100-percent compliance. It is an area where you can blink, where you can wink, where you can cheat—after all, when you say that every public accommodation must be open to everybody regardless of race, the fact that no blacks have gone to a certain restaurant for a period of time does not by itself establish anything.

But can there be any question that despite some local difficulties over the years the existence of adequate public accommodations legislation has revolutionized this particular situation in this country. We are saying the same thing in this connection. If we make it a matter of American policy that certain practices are considered wrong and there might be penalties for doing the wrong thing, I think we can hope for substantial correction of this situation.

Mr. BINGHAM. I think we should look carefully in this subcommittee at the proposals that were made in the Export Administration Act which now falls within the jurisdiction of the International Relations Committee.

Mr. BRODY. Your subcommittee.

Mr. BINGHAM. Not necessarily. Within the full International Relations Committee.

Just one final thing.

Mr. Berger, you particularly suggested legislation. I know that you have very able lawyers associated with your various groups and if you

would like to submit precise language to carry out the legislative suggestions that you have made, we would be very glad to have it.

Mr. BERGER. Thank you for the opportunity.

Mr. BINGHAM. Is there anything further?

Thank you very much for your testimony. It is very much appreciated.

The subcommittee stands adjourned.

[Whereupon, at 4:05 p.m., the subcommittee was adjourned, subject to the call of the Chair.]





# DISCRIMINATORY ARAB PRESSURE ON U.S. BUSINESS

WEDNESDAY, MARCH 12, 1975

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON INTERNATIONAL RELATIONS,  
SUBCOMMITTEE ON INTERNATIONAL TRADE AND COMMERCE,  
*Washington, D.C.*

The subcommittee met at 2:08 p.m. in room 2255, Rayburn House Office Building, Hon. Jonathan B. Bingham (chairman of the subcommittee) presiding.

Mr. BINGHAM. The Subcommittee on International Trade and Commerce will be in order.

We will continue our hearings on discriminatory Arab pressures on U.S. business and U.S. policy. Our first witness this afternoon is our colleague from the Foreign Affairs Committee, Hon. Stephen Solarz. Mr. Solarz, we are very glad to have you. You may proceed in any way you choose.

## STATEMENT OF HON. STEPHEN J. SOLARZ, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Stephen J. Solarz was born in New York City on September 12, 1940. He attended Public School 193, Junior High School 240, and Midwood High School in Brooklyn. He was graduated from Brandeis University and went on to Columbia University, where he received a Master's Degree in Public Law and Government.

Congressman Solarz first became active in politics in 1966 when he managed one of the first Congressional peace campaigns in the country during that year's Democratic Primary.

He was elected to the New York State Assembly in 1968, after defeating the incumbent in a Democratic Primary. He was renominated and reelected in 1970 and 1972.

Congressman Solarz was elected to Congress from the 13th District of New York in 1974, after winning the nomination by defeating the incumbent in a Democratic Primary.

Mr. Solarz is a member of the Board of Directors of the American Jewish Congress, a member of the Board of Directors of the League School for Seriously Disturbed Children, a member of the Henry Spector and Atlantic Lodges of B'nai B'rith, and a past president of the Flatbush Chapter of the Zionist Organization of America.

Before becoming active in politics, Congressman Solarz was a member of the Political Science faculty at Brooklyn College.

Mr. Solarz is married to the former Nina Koldin. They reside, with their children, Randy and Lisa, in Brooklyn.

Mr. SOLARZ. Thank you very much, Mr. Chairman, for the opportunity to testify on this important issue. I think that what I would like to do this afternoon is to submit my testimony for the record rather than read it in its entirety and instead, with your permission, sum up on a spontaneous basis the substance of my views on this question.

Mr. BINGHAM. Fine. Without objection, your statement will be entered in the record as if read.

Mr. SOLARZ. I think, Mr. Chairman, that these hearings deal with what may be one of the most serious problems that confront our country today. According to the best estimates we have available, the annual income to the OPEC countries in 1974 will be somewhere in the vicinity of \$110 billion, of which approximately \$60 billion will be available for foreign investments.

#### OPEC INVESTABLE SURPLUS COULD CAUSE PROBLEMS FOR UNITED STATES

I also understand that by the end of this decade the OPEC investable surplus will be somewhere in the vicinity of \$400 to \$450 billion. This constitutes a shift in resources from the oil consuming to the oil producing nations which is literally, I think, unprecedented in the economic history of the world.

I think that this creates problems not simply because of the magnitude of the resources that will be available to the OPEC countries for investment purposes in our own Nation and elsewhere around the world but also because, particularly in terms of our own economy, it will represent a profound shift in the sources of foreign investment in the United States.

At the present moment, according to the best estimates we have, the overwhelming percentage of the foreign investment in the United States comes from countries in Western Europe and from Canada. By the end of this decade, as a result of the investable surplus available to the OPEC nations, it seems fair to say, the center of financial gravity in terms of foreign investment in our country will shift substantially in favor of the Arab oil-producing nations which are those constituent members of OPEC which will have the largest investable surpluses available to them.

I think the problem is further complicated by virtue of the fact that historically those nations that have tended to invest in the United States have been countries which have essentially shared our objectives and which were sympathetic supporters of our foreign policies around the world. But it appears fairly clear, at least with respect to the Arab OPEC nations which will begin to emerge within the next few years as the major foreign investors in the United States, that we have here a situation where those nations that will be investing in our country are nations whose purposes are often antithetical to our own which only within the last 2 years engaged in a severe embargo of oil which caused a substantial disruption in our own country, and which have also engaged in various anti-Semitic activities which we consider to be inimical to our own values as a nation.

I think that this situation creates three significant and related, although somewhat separate, problems.

First: I think it poses a challenge to our economic well-being and our political independence to the extent that these resources could be used to purchase, in effect, control of key sectors of the American economy.

Second: I think it poses a problem in terms of the extent to which the resources available to these countries would be used to, in effect, force American firms and individuals to participate in anti-Semitic actions and activities.

And, last: I think it poses a problem in terms of the capacity of the Arab oil-producing nations, through the use of these resources, to secure the cooperation of American businesses and businessmen in their boycott against Israel.

#### POSSIBLE CONTROL OF KEY U.S. INDUSTRIES

I would like to direct myself, if I may, to what I think ought to be done with respect to each of those problems. First, with respect to the problem of the ownership of American industry, we now have a variety of laws on the books designed to deal with the problem of foreign control of key sectors of the American economy. The problem is that this legislation is a hodgepodge of laws which literally bear no relationship to each other and they reflect a helter-skelter rather than a well-thought-out view of the problem.

In the areas of communication, aviation and coastal and freshwater fishing, for example, the legislation limits foreign investment to 20 to 25 percent of the firm's stock. In other areas, there are no limitations and, no matter what sector of the economy you look to, you find a different approach to the problem of controlling foreign investment.

#### EXISTING U.S. REGULATIONS LARGELY INEFFECTIVE

It is quite clear, I think, that taken as a sum, these regulations are largely ineffective, they are for the most part unenforceable, they contain loopholes that are so large that for all intents and purposes they provide no significant restrictions on foreign investment whatsoever.

Consequently, I think that we need a new approach to this problem. I think, on the one hand, we want to encourage foreign investment in the country; but, on the other hand, we want to either prohibit or restrict foreign investment in those sectors of the economy where such investments would be inimical to the interest of the Nation.

#### PROPOSED FOREIGN INVESTMENT CONTROL ACT OF 1975

I would suggest an approach along the following lines. Indeed, I intend some time later this week to introduce a bill which I refer to as the Foreign Investment Control Act of 1975, which would essentially do the following things.

#### PROPOSED FOREIGN INVESTMENT CONTROL COMMISSION

First, it would establish a commission known as the Foreign Investment Control Commission, composed of seven senior Cabinet officers, which would be charged with the responsibility for coordinating and implementing a coherent investment control policy. This in itself would be a vast improvement over the current situation in which different agencies have control over different parts of the problem.

One of the major functions of the Commission would be to monitor all foreign investment by requiring foreigners to report their holdings in the United States and by requiring issuers of all voting securities to inform the Commission of the nationality of those who own such securities.

I think one of the clear problems we have is a lack of information on which to base intelligent judgment, and I think this kind of mandate to the Commission would help deal with that problem.

#### "ESSENTIAL" CATEGORY

In addition, the act would prohibit investment in any voting securities in either the field of nuclear energy or in defense contracting. And the theory behind such an absolute prohibition is that investment in these sectors of the economy could potentially enable foreigners to gain access to either nuclear or military secrets which it is not in the interest of our Nation to permit those whose objectives may be antithetical to our own to have access to.

#### "IMPORTANT" CATEGORY

The act would establish a second category, somewhat different from the initial one, which I characterize as the "essential" category. This would be known as important, in which foreigners would be prohibited from gaining a controlling interest in certain key sectors of the economy.

Those are, first, the financial sector of the economy, and I have in mind here banks, mutual funds, insurance companies, and financial institutions which have access to huge amounts of money and the control of which would enable foreigners to exercise undue leverage over the entire economy itself.

It would also apply to the communications media. I have in mind here radio and television stations, magazines, and weekly and daily newspapers, because it seems to me that foreign control of the communications media would give foreigners a capacity to exert an unhealthy and undue influence on the political process by which our country is governed and that, I think, we want at all costs to avoid.

#### ENERGY CORPORATIONS INCLUDED IN IMPORTANT CATEGORY

Finally, in the important, category, I put energy corporations on the theory that, to the extent that these OPEC nations have an interest in maintaining our dependence on foreign sources of oil, they have a clear stake in not developing or encouraging the development of alternative sources of energy in this country. And I think we could be in a rather unfortunate situation if the countries upon whom we are dependent for our foreign supply of oil managed to gain control over domestic energy corporations and, by virtue of that control, were able to effectively sabotage our efforts to develop alternative sources of energy, thereby making us infinitely more dependent on them in the future than we are at present.

#### "NONESSENTIAL AND NONIMPORTANT" CATEGORY

Last, there would be a nonessential and nonimportant category in the bill which would enable the commission, on a case-by-case basis, to prohibit foreigners from obtaining a controlling interest in any particular firm if they felt that foreign control of such a firm would be inimical to the interests of the Nation. I think it is important to

provide a measure of flexibility here because it is impossible really, I think, to foresee every contingency in advance.

I would submit that this approach to the problem of foreign investment in the United States is a valid approach which, on the one hand, recognizes the need for foreign investment in the United States and seeks to encourage foreign investment by, in effect, restricting foreign investment only to those limited sectors of the economy in which foreign control could pose a threat to our country either in terms of access to security information or secrets or by virtue of the financial or political leverage which could be secured by control of communications media or large-scale financial institutions.

#### MONITORING FOREIGN INVESTMENT

I think it would be unfortunate if we prohibited investment across the board, but I would submit that this approach leaves open the overwhelming percentage of investment opportunities in the Nation and in no way constitutes a significant deterrence to the kind of foreign investment which I think we want to encourage.

Indeed, the opportunities for lucrative investments in sectors other than the ones prohibited by this bill are so great that one can only assume that those who would reject the existing opportunities in favor of investment in these limited sectors of the economy, in point of fact, have other than economic purposes in mind; they have political purposes. And I think it is essential for us as a nation to protect ourselves against those eventualities.

#### DISCRIMINATION AGAINST U.S. CITIZENS POSSIBLE IN FOREIGN INVESTMENTS

Now, in terms of the problem which foreign investment poses with respect to discrimination against other Americans, I think previous testimony before this subcommittee has indicated the inadequacy of the existing laws in this regard. Our present statutes do prohibit discrimination against employees but they do not prohibit discrimination against business associates such as subcontractors, suppliers and, in many cases, even customers themselves; and frankly, on the basis of recent actions and activities on the part of some of the Arab oil producing nations which have made participation in their financial ventures contingent upon acts of discrimination against Jews in our own country and other countries around the world, I think that we have to take legislative action in order to prohibit it.

#### LEGISLATION TO MAKE DISCRIMINATION UNLAWFUL

What I suggest is that we need legislation—once again which I plan to introduce later this week—which would make it unlawful to make a business offer contingent upon the disclosure of information which will facilitate discrimination; second, which would make it unlawful to execute a business contract calling upon the other party to the contract to discriminate; and, third, which would make it unlawful to participate in a venture in which other parties had been denied the opportunity on grounds of race or religion to participate in that venture themselves.



So this is, of course, not a panacea; you can't completely prohibit discrimination. The employment discrimination which was supposedly prohibited by the Civil Rights Act of 1964 has not been completely eliminated, but I think it can make a difference; I think it can substantially reduce the opportunities for discrimination, and I believe that the tough civil and criminal penalties which I provide for in my bill would have this effect.

Last, I just want to say a few words about the problem of the Arab boycott itself. As you know, I am sure, under current law, specifically the Export Administration Act of 1969, it is against the declared policy of our Nation for any American firms to participate in boycotts against friendly nations.

The problem is that this legislation represents, in effect, nothing more than a mere declaration of policy. There are no penalties for its violation.

#### LEGISLATION TO PROHIBIT BOYCOTTS AGAINST FRIENDLY COUNTRIES

So I think we need legislation which would specifically prohibit, by adding penalties to the law, participation in such boycotts against friendly countries, because I don't think that we can permit private corporations to undermine the public policy of our Nation.

In conclusion, Mr. Chairman and members of the subcommittee, I think that these hearings are extremely timely, I think you have under consideration a serious threat to the economic welfare, to the political independence, and to the social relations of our Nation, and I think that new legislation, in order to prevent the kind of possibilities to which I refer—to some extent which we have already seen take place—is absolutely essential. I would commend this kind of approach to you as, I think, a responsible and reasonable effort to deal with this problem.

[Mr. Solarz' prepared statement follows:]

#### PREPARED STATEMENT OF HON. STEPHEN J. SOLARZ

Mr. Chairman I want to commend you for conducting these hearings at this critical time. The magnitude of foreign investment in the United States is about to change drastically. We must examine old attitudes and assumptions to see if they remain valid in the light of rapidly changing circumstances. These hearings play a vital role in this necessary re-examination. Not only do they provide some of the information needed for sound judgement, but they also help focus the attention of the Congress and the country on the need for some affirmative initiatives in this area.

These new circumstances are a result of the four hundred per cent increase in oil prices in the last few years. In 1974, this increase produced, for the OPEC nations, \$110 billion in income—of which \$60 billion is available for foreign investment. Current moderate estimates are that by 1980 the OPEC nations will have a surplus of 400 to 450 billion dollars which they can invest in the United States and in other advanced economies. This sum is enough to buy up all of the stocks of every company listed on the New York Stock Exchange. I do not cite this figure because I believe that an acquisition of this magnitude by the Arabs is even a remote possibility. I cite it because it dramatizes the fact that in the next few years there will be a period of unprecedented foreign investment in the United States.

According to the best estimates available, direct foreign investment in the United States, in 1973, amounted to only \$17.7 billion, most of which came from Canada or England. That same year foreign holdings in U.S. securities amounted to only a little over \$40 billion.

In comparison, there are estimates that the OPEC nations may invest close to \$100 billion in this country within the next few years. This would



mean a two hundred percent increase in foreign holdings in the United States. Such a quantitative change obviously implies a qualitative change. Foreign investment would no longer be an insignificant part of our total economic picture. Instead, it would dominate sectors of our economy and play a large role in determining our economic future.

I believe that the impending increase in the size of foreign investments is sufficient reason to rethink our attitudes. But I must tell you that it is only a partial cause of my concern. I am also troubled by the fact that these potential investments will be coming from countries different than those that have invested here in the past. As late as 1972, over 90 percent of the direct foreign investments in the United States were controlled by citizens of Western Europe and Canada. These countries by and large share our values and foreign policies. Many of them look to the United States for their defense and thus have a large stake in the vitality of our economy.

In contrast, the new investments will be coming from countries which have interests antithetical to our own, they have authoritarian regimes which have close control over foreign investments made by their citizens, and they also have clear differences with us on matters of foreign policy. Some of these nations have already conducted an oil embargo designed to punish us for our refusal to acquiesce their political demands. It is entirely possible that they will try to achieve through foreign investment what they have failed to accomplish through economic sanctions.

These same countries also have a history of religious discrimination. In Europe, they have already succeeded in using their wealth to bar banks with "Jewish connections" from financial enterprises with which they are involved. In the United States, they have publicly attempted to do the same. Their determination to discriminate is so great that they have forced our government to exclude Jews from missions sent to their lands. There is every reason to believe that they will attempt to continue their anti-Semitic practices in their new investments.

If we do nothing, some of the OPEC nations will be able to use their financial power to divert us from our national commitments and to discriminate against some of our citizens. It is my belief that neither our foreign investment laws nor our civil rights laws can adequately protect us against the harmful effects of Arab investment. New legislation is clearly needed and it is to that need that I would like to address myself.

In the field of foreign investment we now have a hodge-podge of ineffective regulations poorly enforced by a variety of different agencies, which are primarily concerned with problems other than foreign investment. These pyrrhic efforts to restrict foreign investment are limited to the fields of government-regulated communications, aviation, coastal and fresh water shipping, public land, mining on Federal lands, hydroelectric power, banking and atomic energy. In addition, there are Defense Department security clearance regulations which impose certain practical restrictions on foreign investment on military manufacturers.

The regulations which apply to communications, aviation, and coastal and fresh water shipping, bar foreigners or foreign corporations from receiving certain necessary licenses. However, foreigners may own 20 to 25 percent of domestic corporations holding such licenses, even if such a percentage constitutes a controlling interest. The same general restrictions apply in the field of hydroelectric power. However, in this case there is not any limitation upon the degree of foreign ownership or control of the domestic corporation holding the license.

The restrictions on the sale or leasing of Federal lands or mines are a lingering remnant of our homesteading days. These restrictions limit the sale or leasing of these properties to American citizens or to those who have declared their intention to become citizens.

In the banking field, foreigners are restricted by regulations that only permit banks incorporated within the United States to become members of the Federal Reserve System or the Federal Deposit Insurance Corporation. While any person or corporation establishing subsidiary or acquiring 25% or more of a domestic bank must be approved by the Federal Reserve's Board of Governors, there are no strict limitations on the percentage of a bank which may be foreign owned.

As for atomic energy, the Atomic Energy Commission is prohibited from issuing licenses for the operation of atomic energy utilization or production facilities to aliens or to foreign owned or controlled corporations. Once again, however, there are no general rules which define foreign ownership or control. And, re-

cently, the AEC approved the transfer of a license for a utilization facility from Gulf Corporation to 50-50 percent Gulf-Royal Dutch Shell partnership.

In addition to these regulations, there is a requirement by the SEC that when 5 percent or more of a publicly traded security is being sold, the beneficial ownership of the acquirer must be disclosed. Outside of this regulation, which applies to foreigners as well as American citizens, we have no disclosure requirement of foreign ownership in almost all of American business.

Without getting into the merits of the different regulations and restrictions, I think it is clear that they do not reflect a well thought out policy on foreign investment. It is equally clear that they are not sufficiently comprehensive to deal with the problems posed by hundreds of billions of dollars of foreign investments from nations which in some ways are hostile to us. I believe new legislation is needed and I will, therefore, be introducing, later this week, a bill to monitor and regulate foreign investment.

The bill, which I refer to as the "Foreign Investment Control Act of 1975", would create a National Foreign Investment Control Commission composed of seven senior cabinet officers.

The Commission would be charged with the responsibility for coordinating and implementing a coherent investment control policy. This in itself would be a vast improvement over the current situation in which different agencies have control over different parts of the problem.

One of the major functions of the Commission would be to monitor all foreign investment by requiring foreigners to report their holdings in the United States and by requiring issuers of all voting securities to inform the Commission of the nationality of those who own such securities.

In addition to requiring disclosure, the bill would also authorize the Commission to prohibit the purchase by any foreigner of foreign controlled entity of

1. any voting security in companies substantially involved in areas essential to our national and/or economic security.

2. a controlling interest in any company which is substantially involved in areas important to our national and/or economic security.

3. a controlling interest in any company, if the Commission, after analyzing the effect of the purchase, believes that it would be inimical to our national and/or economic security.

The Act would leave it, in large part, to the Commission to determine which industries belong in the three categories set up by the Act. However, the Act does make recommendations as to which industries should be classified as "essential" or as "important".

In the "essential" category, from which all foreign investment is prohibited, it would place those industries which are critical to our national defense and which have access to secrets which we want to keep from foreigners. Nuclear energy companies and major defense contractors would clearly come under this proposed provision.

The reason for such a rigid restriction is the necessity for keeping decision-making in these companies immune from direct foreign pressure. Ownership of any voting securities opens up the possibility of such direct pressure. Competing factions within the corporate structure may attempt to get the support of the foreign stockholder by compromising our national interests. Even though such an occurrence may seem remote, I think we should guard against it. When it comes to industries in this area the bill would make sure that we have taken every precaution possible.

In the important category the Act would place those critical industries which have tremendous influence and power over our governmental and economic institutions. In this category I would place banks, insurance companies, mutual funds, daily newspapers, weekly magazines, radio and television stations, and companies substantially involved in the exploration, development, refining and distribution of oil, natural gas and other energy resources. Companies in this category could not be controlled by foreigners. However, foreigners could own voting securities up to a certain percentage of the total stock which would be determined by the Commission.

Banks, insurance companies and mutual funds are included in this category because almost all businesses rely on these institutions for a large part of their capital. These institutions thus have the power to determine which businesses or sectors of the economy will be able to expand and prosper. We must guarantee that their priorities reflect our interests and not the interests or prejudices of foreign investors.

Similar reasons make it necessary to put daily newspapers, weekly magazines and radio and television stations in this category as well. Since control of the mass media would give foreigners an unhealthy capacity to exercise inordinate influence on public opinion, I believe that it is essential to prohibit them from acquiring controlling interests of any institutions in this important sector of the economy.

I would also place in this "important" category energy corporations for reasons which should be obvious to all of us. The nations which will be doing most of the investing owe their wealth to the scarcity of energy supplies. These nations have a real stake in the continuation of our dependence on their energy supplies. We should make sure that they do not retard or divert our effort to be independent of them. To protect ourselves against this possibility we should bar them from controlling any of our domestic energy corporations.

Besides restrictions on investments in the "essential" or "important" categories, the Act would give the Commission the power to bar the acquisition of a controlling interest in any company, if such an acquisition is inimical to our national or economic security. This provision gives the Commission hindsight powers by permitting it to bar potentially dangerous acquisitions in areas it has overlooked. This provision would also make it possible for the Commission to disallow acquisitions which are made for clearly nefarious purposes.

In proposing these measures, I am aware of the legislation introduced on the other side of the Hill by Senator Williams. While I believe the adoption of the Senator's proposal would be a great step forward, I also believe the approach it takes has some fundamental weaknesses.

The major flaw in his proposal is that limitations on foreign investment, under the terms of his bill, would be a matter of Presidential discretion. Political pressures from the domestic businessmen, or the foreign nations involved can prejudice Presidential judgments. The bill that I will be introducing would make the decision making process immune from such pressures.

In conclusion, I would like to say that I am not opposed to foreign investment. I am fully aware of our need for the capital that such investment will bring. The bill I am proposing takes a balanced approach to the entire problem. It seeks to maximize the amount of foreign investment while trying to minimize the cost of such investment to our political independence and economic well being. If the bill I am proposing were to become law, foreign investors who wish to share in our profits and economic bounty would have plenty of industries open to them.

In the field of civil rights, we currently have laws which make it unlawful to discriminate on the grounds of race, color, religion, sex, or national origin. However, there is no such law governing business associates. For instance, a contractor can be forced to agree, as a condition of obtaining a contract, not to subcontract any part of the work to a firm which is Jewish owned or controlled or, for that matter, which may have Jewish directors, officers or stockholders. These same conditions could also be applied to any businessman with regard to his suppliers and, in some cases, his customers as well.

Since there is every indication that the Arabs will use any gap in the law to discriminate against Jews, our civil rights regulations should be expanded to eliminate the loopholes which now exist. I will, therefore, also be introducing legislation which will make it unlawful to :

1. Make a business offer contingent upon the disclosure of information concerning the race, religion, sex or country of national origin of the other party, his business associates or his customers;

2. Execute a business contract, which calls upon one party to discriminate against his customers on the basis of their race, religion, sex or country of national origin ;

3. Participate in a business enterprise in which a party to the enterprise has discriminated, during the course of that venture, against potential business associates or customers on the basis of their race, religion, sex or national origin.

These proposals are not offered as a panacea designed to make it impossible for the Arabs to discriminate within our boundaries. Discrimination is very difficult to eliminate. The Civil Rights Act of 1964 has not ended discrimination in employment although it has made such activity illegal. Great strides have, however, been made in that area since the enactment of this landmark legislation. With tough criminal and civil penalties, I am confident that the legislation I have proposed would prevent most of the discrimination which is sure to occur if nothing is done.

An additional problem posed by the increase in Arab wealth is the extension of the boycott against the State of Israel. A recent report of the Anti-Defamation

League of the B'nai B'rith stated that there has been an increasing American participation in the Arab boycott. With billions of dollars to invest in American businesses, it is no wonder that Arabs have found many firms to be willing agents in their attempt to cut off Israel.

This increased participation in the boycott has occurred despite legislation which declares such activity to be contrary to the policy of the United States. The Export Administration Act, which was enacted in 1969, put the United States squarely on record as disapproving of boycotts and other restrictive trade practices against foreign countries with which the United States maintains friendly relations. Unfortunately, the legislation is a mere declaration of hope since there are no sanctions against the companies which participate in such boycotts. I do not think that American businesses should be allowed to violate our policies and subvert our allies. I therefore believe that penalties should be added to the existing legislation in order to make it a meaningful prohibition instead of a symbolic ban.

As a result of the huge financial reserves now available to the OPEC nations, we face a unique and severe challenge to our national economy, economic welfare, and social relations. It will not be easy to solve all of the problems which will be created by this situation. But I am confident that we have the capacity to prevent the more insidious consequences of foreign investment from taking place with both wisdom and resolve in the days ahead.

Mr. BINGHAM. Thank you very much, Mr. Solarz. That is a most interesting presentation and we are very grateful for it.

I think you probably realize that the type of legislation that you propose with regard to foreign investment in this country would probably not come before this committee. I believe it would be referred to the Interstate and Foreign Commerce Committee. But, in any event, it is a matter of interest.

#### FURTHER CLARIFICATION OF "ESSENTIAL" INDUSTRIES CATEGORY

I would like to ask one or two questions about that aspect of your statement. Have you thought about the fact that, as you describe it, it would become unlawful, let us say, for a citizen of Denmark to buy a share of General Motors?

Mr. SOLARZ. No; I don't—it would prohibit someone from buying a voting security in a corporation which did business in an area that was essential to the national security. It would specifically prohibit investment in nuclear energy corporations or—

Mr. BINGHAM. May I interrupt just a moment? You indicated that, in your essential category, would be those companies which are major defense contractors. That would certainly include General Motors.

Mr. SOLARZ. I think that, to the extent that you have the potential for undue influence here, it ought to be prohibited. I don't think that the problem obviously is one of an individual's buying one share of stock in General Motors. I think the problem is someone's purchasing a substantial block of shares in a corporation which, by virtue of his participation, might create a dangerous situation to the country.

Mr. BINGHAM. But you do propose to prohibit, as I understand it, any voting security—that is, any common stock in a company classified as essential. I don't know what the figure is, but I would imagine a fairly substantial percentage of the common stock of a company like General Motors is foreign-held today. Would you not assume that to be the case?

Mr. SOLARZ. I think one of the problems, Mr. Chairman, is that we don't have access to this kind of information at the moment. One of



the things which this legislation would do would mandate the companies involved to provide us with the information.

Now, I would imagine, to be sure, that there probably is a fair percentage of foreign ownership of General Motors stock, and it may be that it is in the interest of the country, given the situation which is now developing with this shift of resources to OPEC nations, to prevent the kind of investment which may take place in the future.

If it hadn't been for the shift of resources and if it hadn't been for the fact that we are coming into a new era in terms of foreign investment in the country where those who will be investing are nations and individuals who have objectives often antithetical to our own, I don't think we would have the problem we have today. But we do have this shift, and I think the legislation I propose is designed to anticipate problems that may develop in the very near future.

#### COMPANY STOCK HELD BY NOMINEES

Mr. BINGHAM. One other question along these lines. What about the question of stock that is held by nominees, which is a very common practice? The company doesn't know who the stockholder is because the stock is held in the name of nominees. How would you deal with that?

Mr. SOLARZ. The legislation would require this information to be disclosed and, to the extent that someone, in effect, was representing the interests of a foreigner or a foreign nation rather than his own interests, that person would be in violation of the law.

Now, it may well be possible in many instances to evade detection, but that doesn't mean that the activity involved ought not to be prohibited. A person would be on notice that if he were detected he would be subject to the penalties of the law.

I think this is true of many other areas of our economy or political activity in which we prohibit things which theoretically you can avoid but for which, if you are detected, you have to pay the penalty.

Mr. BINGHAM. As I understand your summary of the act, I don't see that it extends to brokers handling securities, which it might have to do if you are going to get into that.

Mr. SOLARZ. I think that is a useful point, and the legislation itself, which I will have sent to you as soon as it is introduced, does, I understand, provide for that eventuality.

#### EXPORT ADMINISTRATION ACT NEEDS TO BE STRENGTHENED

Mr. BINGHAM. Turning to the matter which is directly before this committee, I am delighted to see that you recommend that the rather toothless provisions of the Export Administration Act enacted in 1969 be strengthened and that we have some form of legal prohibition of the acts which were simply deplored in that act. Mr. Biester.

Mr. BIESTER. Thank you, Mr. Chairman. I also want to thank our colleague for his testimony. I would like to explore further, if I might, the classifications of industries or entities into which foreign investment would be prohibited. And I, like the chairman, assume that "a major defense contractor" would certainly include General Motors

and Chrysler and probably Ford and other major companies in the top 500 which are industrial.

#### FOREIGN INVESTMENT IN ENERGY CORPORATIONS

With respect to energy, would you prohibit investment in energy companies as well?

Mr. SOLARZ. The bill provides, with respect to energy corporations, that obtaining a controlling interest would be prohibited. A person would not be prohibited from investing at all; "a controlling interest" would be defined by the commission.

One of the problems we have now is that, under existing law, foreigners are prohibited from obtaining in some instances more than 20 percent of a corporation; but it is quite possible, depending on the size of the corporation, to effectively gain control with sometimes only 5 percent of the stock. So I think what we would do is leave the definition in each individual instance of what constitutes a controlling interest up to the commission itself.

Mr. BIESTER. And that would be with respect to energy?

Mr. SOLARZ. That would be with respect to energy, yes. There are three different categories in the act. One is essential, the second is important, and the third would be nonessential and nonimportant. The essential category is a category in which all foreign investment is prohibited and that applies essentially to nuclear energy and to defense contractors because of the potential access here to secret information which they ought not to have.

The important category includes large-scale financial institutions, banks, insurance companies, mutual funds, that sort of thing; second, the communications media; and, third, energy corporations. And in the important category foreigners would be prohibited from obtaining a controlling interest of any particular corporation.

And then, in the nonessential and nonimportant area of the economy, which is everything else, the commission, on a case-by-case basis, would be able, through the exercise of its discretion, to prohibit foreigners from obtaining a controlling interest in any particular corporation where they felt it was inimical to the economic or political interests of the Nation to permit foreigners to obtain a controlling interest of that particular firm.

Mr. BIESTER. Would it be a consortium of individual foreigners or foreigners of one particular country?

Mr. SOLARZ. Any foreigner.

Mr. BIESTER. So that if there were 100 separate investors but all of them foreign who collectively owned what would amount to a controlling interest—

Mr. SOLARZ. Oh, no, no. It would apply to a particular foreigner or a foreign-controlled corporation or a foreign government, being prohibited from obtaining a controlling interest.

#### FOREIGN COUNTRIES' PROHIBITION ON U.S. INVESTMENT

Mr. BIESTER. Is there any such measure prohibiting American investment in such companies in England or France or Germany or Italy or Japan or other places?



Mr. SOLARZ. Yes; as a matter of fact, there are. And, of course, it varies from country to country; but I understand, for instance, that in England any direct foreign investment which, in effect, means more than a 25-percent interest in a publicly owned corporation, or more than 50-percent interest in a private corporation, must receive the approval of the Treasury.

So, in that sense, the British restrictions on foreign investment are much broader even than the ones I am suggesting here, because, for example, if you wanted to invest in a shoe manufacturing plant or a handbag manufacturing plant or a garment manufacturing plant in England and you wanted to purchase more than 25 percent of a publicly owned corporation, you would have to get the approval of the Treasury.

Now, that would not be the case with the legislation I am talking about. It would be if you wanted to buy Time magazine and you were a foreigner or you wanted to purchase a television station or radio station or something of that sort.

So I think the argument that this kind of legislation will invite retaliation elsewhere and will restrict American investment overseas is really fallacious because the fact of the matter is that many countries not only already have existing prohibitions against foreign investment but in many instances they are far more severe than what we are suggesting here.

#### FOREIGN INVESTMENT SHOULD BE ENCOURAGED, CONTROLLED

I am not trying to keep foreign investment out of the United States; I think we want to encourage it. I certainly think we want to be able to invest abroad. But I do believe there are certain limited areas of the economy in which it is clearly in the national interest to prevent foreigners from securing control, and that leaves open enormous opportunities for foreign investment in the United States.

If people are interested in securing a good return on their investment and want to earn it in the United States because they feel it has a stable economy or stable political structure, there is no end to the number of investments they can make outside of the limited number of areas which we seek to restrict and regulate here.

Mr. BIESTER. Thank you, Mr. Chairman.

Mr. BINGHAM. Mr. Whalen.

#### FOREIGN INVESTMENTS STUDY ACT

Mr. WHALEN. Thank you, Mr. Chairman, and I thank my colleague for his very fine presentation this afternoon. Are you familiar at all with the Foreign Investments Study Act that came out of this committee last year and became law?

Mr. SOLARZ. Senator Culver's work and your own; yes.

Mr. WHALEN. During the course of those hearings we on the subcommittee came to one unanimous conclusion, and that is: We had absolutely no idea as to the extent of foreign investment in the United States, the nature of it, and the possible effects of it. I think you in a way have reiterated this observation in your testimony here in your answer to Mr. Bingham's question.

My question is: Do you think it is advisable for us to proceed to consider legislation without any factual basis?

Mr. SOLARZ. The kind of legislation I am suggesting would facilitate the effort to secure that information by mandating that private corporations provide the necessary data to the Government agencies, but I would go beyond that. I would say, yes, for this reason: I think we are in the midst of an extremely serious situation. OPEC countries have built up huge investable reserves.

#### ARAB LONG-TERM INVESTMENTS

Because this was a clearly unexpected situation, they didn't have time in advance to think through an investment strategy, so they did, I think, what virtually anybody in this room would do if, all of a sudden, they inherited millions or billions of dollars; that is to say, they would immediately invest it in short-term notes and bonds while they took the time to figure out a more productive long-term investment strategy.

Well, this is basically what the Arabs have done, but I don't think it is fair to conclude, because they put most of their money into short-term investments, that they are going to continue doing it in perpetuity. I think we are about to enter a stage where they are going to begin making long-term investments in our economy; and I am deeply concerned that, if we put off the study of this effort or if we wait until absolutely all of the information is in, it may be too late to do anything.

Consequently I see nothing wrong with taking the kind of limited action which I propose and then, if we get additional information in the future which indicates there should be changes, then, I think, those adjustments can be made.

Mr. WHALEN. I think you have indicated a point that may be very valid. That is, when the Commerce Department and the Treasury Department have completed their studies, the statistics may already be out of date.

Of course, you also, I think, have touched on two separate issues. One is the question of mandating reports, and I would certainly share your observation that this is not now required, although the Commerce and Treasury Departments, under the provisions of this act, have been given that authority on a one-shot basis.

Of course, the second is restricting investments, which is also a part of your bill. I am concerned that we don't really have enough to go on at this time to determine whether or not there really is a problem which require investment restrictions.

#### UNPRECEDENTED SITUATION REQUIRES MONITORING AND RESTRICTIONS

Mr. SOLARZ. Congressman Whalen, I would submit that if you looked at the existing data, it might well turn out that there is no substantial foreign investment, say, in the communications media or in defense industries or in nuclear energy or in large financial institutions.

I don't think, assuming you found that out—and let us, for the purposes of argument, say you would find it out—that it would be fair, therefore, to conclude that we don't need to restrict investment in these areas because we are entering into an unprecedented situation.

Financial reserves are available now on a scale on which they were never available before and, more importantly, to nations which have interests which are antithetical to our own and which may want to use their financial reserves not simply for the purposes of maximizing their financial return but for political purposes as well.

Consequently I think what we have at stake here are questions of principle. The question is: As a matter of principle and policy, do you want to permit foreigners to gain control over certain limited but key sectors of the economy? Do you, as a matter of principle or policy, want to permit foreigners, by virtue of investment in defense contracting firms, to have access to military secrets that we ought not give them access to?

The question isn't whether they have invested in these industries in the past but whether they have the capacity to do so in the future, which clearly they do, and then, if that is the case, whether we ought to restrict or regulate that.

#### POSSIBLE PURPOSES OF INVESTMENTS

MR. WHALEN. I think your key word is "interest." What do you perceive to be the interest with respect to investment? For what purpose does one invest?

MR. SOLARZ. I think people generally invest in order to maximize their financial return, but I think we have a situation here where the moneys that are available to these countries are so far in excess of what they need for their own purposes that they may very well decide to use their investments to accomplish other than economic purposes.

MR. WHALEN. All right. Could you give us some examples now? How might an investment in General Motors accomplish some global condition?

MR. SOLARZ. Well, of course, you could probably get control of General Motors with 5 percent of the stock, so it wouldn't have to be that substantial in terms of the total number of shares to achieve your purposes. But, to the extent that General Motors does classified defense work, you would open up opportunities for an insidious penetration of firms and factories which are doing essential work for the Department of Defense and for our military establishment which it may be in our interest to—

MR. WHALEN. How would a stockholder, let us say, in Saudi Arabia get that information?

MR. SOLARZ. Or his agents in this country.

MR. WHALEN. How?

MR. SOLARZ. Well, by virtue of their ability to determine who would work in the firm—

MR. WHALEN. Now let me just interrupt you there. Don't we have laws, regardless of who owns the stock of the corporation, that would prohibit discrimination on the basis of race, creed, color, and so forth?

MR. SOLARZ. Well, with respect to the problem of discrimination, we have laws which prohibit discrimination in employment, but we don't have laws which prohibit discrimination in commercial transactions. Certainly it would be possible, if you had a controlling interest in a firm, to put people in the firm who were friendly to your purposes and upon whom you could rely and who, in exchange for their employ-

ment, would be prepared to give you information that we might feel you shouldn't have.

Now, you could say that existing law prohibits giving military and national security information away to foreigners, and I think, to the extent you made that point, it would be perfectly valid. But I think permitting large-scale investment in such firms would facilitate an effort to gain access to this information, and I don't think that is something, as a matter of public policy, that we ought to encourage.

Mr. WHALEN. Thank you, Mr. Chairman.

Mr. BINGHAM. Thank you, Mr. Whalen. We are glad to have with us today a member of the full committee, Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman. I would like to welcome our colleague and compliment him on his in-depth scrutiny of the Foreign Investment Act, something that we worked on last year. No doubt you are aware of the fact that this year an inventory is being taken for the first time of foreign investment. We are awaiting that report to see just how extensive foreign investment is in our Nation. Of course, that still leaves room for further regulation, and the parameters of that regulation are something we are all concerned about.

#### LEGISLATION LEAVES BROAD AREA FOR DISCRETIONARY REGULATION

I note that you are suggesting two categories—an "essential" category and an "important" category—leaving a pretty broad area for discretionary regulation. Do you think that you are allowing too much discretion for an administrative authority to decide what is important and what is essential?

Mr. SOLARZ. I think you have to permit some discretion here, congressman. I think, from the tenor of the questions and from other reactions I have gotten to this proposal, that it is going to be difficult enough to establish any restriction as it is.

I think that consequently what we ought to do is to define two relatively limited areas—the essential area and the important area—limited to national security on the one hand and economic and political leverage on the other, and then, in effect, because of the complexity of the economy, permit the commission, on a case-by-case basis, to make the next determination, because I think we don't want to write into this legislation such massive restrictions that, in effect, it does become a major obstacle to the kind of foreign investments in the country that we want to encourage.

I have thought a good deal about this problem; I don't want to suggest that I necessarily have the solutions but I am convinced that there are certain limited areas of the economy where, as a matter of public policy, we would be better off prohibiting foreign control or, in some instances, foreign investment at all.

I think that still leaves open plenty of opportunities for investment, and that is why I have suggested the approach we have.

#### OTHER NATIONS' REGULATIONS ON FOREIGN INVESTMENT

Mr. GILMAN. Have you examined some of the regulations of other nations with regard to foreign investment?

Mr. SOLARZ. Yes, to some extent. I pointed out that in England, for instance, any foreigner who seeks to make a direct investment in any British firm of 25 percent or more of a publicly owned corporation, or 50 percent or more of a privately owned corporation, has to get the approval of the Treasury. That is far more comprehensive, in the sense it covers virtually everything, than the legislation I am suggesting here.

I might also say, by the way, that the other major piece of legislation introduced in this area of the Congress, Senator Williams' bill in the Senate, doesn't delineate any areas; it simply says that any time a foreigner or foreign interest seeks to secure more than 5 percent of a corporation doing over \$1 million of business a year, it has to be approved by the President. So he prohibits on an absolute basis investment in no sector of the economy and leaves the entire question of foreign investment up to the discretion of the President.

What this legislation does is take certain areas out of the discretion of the Commission but leaves the bulk of the economy, on a case-by-case basis, up to the Commission to determine.

#### ARBITRARY PERCENTAGE LIMITATION NOT NEEDED

Mr. GILMAN. Are you suggesting any percentage of ownership restriction on those case-by-case decisions?

Mr. SOLARZ. It would be a controlling interest, and I don't think you ought to put a percentage in the law, because I think a controlling interest will vary from case to case. The larger the corporation and the larger the number of shares, in effect, the smaller the number you need to have a controlling interest.

I don't think you can write an inflexible rule, but I think if the Commission is mandated to prohibit foreigners from obtaining a controlling interest, they have the capacity, on a case-by-case basis, for defining what "a controlling interest" would constitute in an individual instance.

Mr. GILMAN. You would leave it solely to the discretion of the Commission?

Mr. SOLARZ. That is right, but it functions within the framework of a mandate that foreigners would be prohibited from obtaining a controlling interest in the important and nonessential and unimportant categories established in the bill.

I think if you did what we have now—which is to limit foreign investment in, say, communications and in aviation to 20-25 percent—I think you have the problem of permitting, in effect, foreigners within the framework of that limitation to obtain control because you can, in large-scale corporations, get effective control with far less than 25 or 20 percent.

On the other hand, I see no need to arbitrarily set a limitation of 5 percent, which might be enough to gain effective control of a very large corporation but not enough to gain effective control of a smaller one; because, if there is no danger of effective control, then you ought to permit the maximum amount of foreign investment possible short of permitting them to actually get control of the corporation.

Mr. GILMAN. Thank you, Mr. Chairman.



Mr. BINGHAM. We are very grateful to you, Mr. Solarz, for your testimony.

Mr. SOLARZ. Thank you, Mr. Chairman.

Mr. BINGHAM. The next witness is Mr. John R. Bunting, chairman of the First Pennsylvania Bank and the First Pennsylvania Corp. We are very grateful to you, Mr. Bunting, for responding to our invitation to testify, and we look forward to hearing you.

**STATEMENT OF JOHN R. BUNTING, CHAIRMAN, FIRST PENNSYLVANIA BANK N.A. AND FIRST PENNSYLVANIA CORP.**

Mr. BUNTING. Thank you very much, Mr. Chairman and gentlemen. I am very happy and privileged to have this opportunity. As you know, I have submitted a somewhat formal statement. What I intend to do here, if it meets with your approval, is to paraphrase that statement and to amplify certain of the points that I made.

Mr. BINGHAM. That will be fine. Without objection, the full text of your statement will be in the record as if read.

Mr. BUNTING. Thank you, Mr. Chairman.

My remarks break into four parts: (1) a brief review of the First Pennsylvania's position in the Middle East; (2) our experience insofar as Arab pressure or the lack thereof is concerned; (3) the latent power, the potential power, of petrodollars; and (4) a gratuitous recommendation that I will make.

**FIRST PENNSYLVANIA BANK'S POSITION IN MIDDLE EAST**

First of all, First Pennsylvania's position: Historically our bank, which is the 19th largest in the United States, has done little or no direct business in Middle Eastern countries. Our involvement basically has been limited to participation for credits in the area. Also, we are not the primary, or "lead," bank for any of the giant international oil companies.

We do have continuing major banking relationships with a number of such companies and have had the presidents of Atlantic Refining and one or two other oil companies on our board. So I am not denying a relationship. But I am saying we have not been the primary bank for oil companies.

In June of 1972, this limited direct participation in the affairs of the Middle East changed. At that time, we put together an amalgamation of small Israeli banks and formed the First International Bank of Israel, the bank that is now the third or fourth largest bank in Israel and, in terms of capitalization, has the capitalization to be considerably larger than that.

We are the largest stockholder in that bank, with, at the present time, something like 42 percent of the shares. The next largest stockholder is the Government, which has a 30-percent position in the bank, and the other stockholders are outlined in my statement. Our investment is about \$13½ million. Now I would like to point out to you the reasons for our entering Israel.

Some of this will be slightly repetitive. One, as I said, we have no primary involvement in that world there; specifically we have no primary involvement in the Arab States, we have no primary oil relationships, and this has been a very important factor in our decision.



The large New York banks which have affiliated banking offices and banking relationships all over the Arab countries and are deeply involved in oil do not have a physical presence in Israel. That was a very strong consideration in our decision.

And, of course, the large New York banks that are not in Israel are also, in addition to being in the Arab world, very much in oil, which is a huge part of the Arab world. So our conception was that we would be the only "establishment" U.S. bank in Israel and our conception and strategy was that the big New York banks would not dare to follow, not because of the threat that we represented but because of the relationships that they had already formed.

Our bank there has done well. It has expanded profitably and we are very, very happy with it.

All right. That is where we are in the Middle East and why we got there.

#### EXPERIENCE WITH ARAB BOYCOTT

Our experience insofar as a boycott or lack thereof is concerned: We have no evidence whatever of retaliation against us by the Arab world. We don't know if we are on the—we are certainly not listed on the recently published list of boycotted firms and banking institutions, et cetera. So that we have no knowledge of any retaliation, any boycott, et cetera.

This I don't think is of any exceptional pertinence because, as I indicated, we have not been and are not a factor in the rest of the Middle East, so that direct retaliation would be difficult. We really don't have a stake there, so that they haven't moved us out of there; but I think it is worthy of note that our deposits and other evidences of relationship with the oil companies that are very much involved in the Middle East have been untouched by our involvement in Israel.

I would like to go from our experience now——

Mr. BINGHAM. Mr. Bunting, could I interrupt you a moment and ask you what you mean in your statement by "We continue to participate from time to time in Middle Eastern credits"?

Mr. BUNTING. In trade credits. When we are a part of a bank consortium lending arrangement, there we continue to participate, never as the lead bank, but we didn't before. We do not initiate it. We participate with other banks in trade credits in that area and this has appeared to have been untouched——

Mr. BINGHAM. Are these generally short-term credits?

Mr. BUNTING. Yes; they are, sir.

Mr. BINGHAM. Thank you.

#### POTENTIAL POWER OF PETRODOLLARS

Mr. BUNTING. The latent power, if you will, of petrodollars: First, past experience aside, I would like to take this opportunity to point up the subtle power of petrodollars. I would like at the outset to say clearly and as forcefully as I can that it is impossible in my view to transfer the vast wealth that the quadrupled oil price produces for the Arab world without also turning over to them tremendous latent power as well.

I think that is absolutely impossible. It is our responsibility, and I am delighted to see that this subcommittee apparently feels the same

way, to at least be aware of this potential power to attempt to guide it toward constructive channels, if possible, and if not, to contain it so that it is not used narrowly or prejudicially.

Even this latent power has the power to intimidate and I would ask in that connection, so that you will see what I mean, for you to consider again our reasons for entering Israel. One of our absolute assumptions was that we had a position there as the only establishment bank, that other banks would not follow us, not because it was an unwise investment from the normal standpoint of an investment being profitable—and our investment there has been profitable.

It is returning about 20 percent on capital, which is better than most of our investments in this country, I am happy to add—so that one would think it is not the normal reason for not following a competitor there. So that I think the latent power to some extent was proven, has been proven over the past 2 years and, indeed, with the tremendous influx of new dollars, with the tremendous change in the wealth of the Arab world, that latent power, I would think, would be multiplied many times over.

#### PETRODOLLAR POWER COULD INHIBIT INSTITUTIONS

I am saying if it were sufficient before to inhibit banks that have correspondent banks practically everywhere in the world, I would think that this new multiplied power would have even more inhibiting influence on the actions of many institutions.

#### SMALL PROPORTION OF ARABS HOLD WEALTH

Another, I think, danger and differentiation and—I go back to the previous testimony to some extent here, although I am not associating myself necessarily with the remarks of the previous testifier—I would say that the small number of people in the Arab world who hold the wealth makes it somewhat different from the normal kind of wealth that has spread throughout the world back over the centuries.

The fact that the people of vast wealth in the Arab world tend to be in political consonance with each other, tend to be very small in number, I think, differentiates their wealth to some extent from the normal kind of wealth that has transferred itself around the world in the past.

#### ARAB MONEY ENTERING UNITED STATES THROUGH FEW INSTITUTIONS

I think, third, the fact that, so far at least, the Arab funds are entering the United States through a very, very small and select number of financial institutions also makes this wealth different.

I wouldn't accuse the Arabs of selecting these banks for any ulterior reason. It is just that in the very unusual, unsettled banking situation of last year, investors with the gigantic sums that the Arabs had were being conservative in selecting only the four or five largest banks.

#### DANGEROUS SITUATIONS

I don't think either the banks or the Arabs in this case had any ulterior motives, and I am not making any subtle implications that they did, in selecting them. I am saying as a result of all this money, and

I mean tremendous sums of money, coming through just a few banks, and as a result of these moneys being concentrated in hands that are in rough political consonance with each other, you have a potentially terribly dangerous situation.

We have for the first time in the United States in a few very large banks, a huge volume of politically volatile money, money that is not going to move just because interest rates change or business conditions change, but money that may move for political reasons.

I think if the Arabs, as they evidenced themselves to be, were willing to use oil as a weapon to gain political ends, they certainly would be willing to use the dollars that flow from the oil for political ends.

I think most reasonable people would probably agree on that. So that what I am suggesting to you is that banks now find themselves with billions of dollars that can go out for political reasons overnight.

Fortunately, these banks can afford such an eventuality. In the sense that it will not break them if these funds go out, and I am sure these banks are quite as aware of that as I am, but these banks would be discomfited by that. Their assets form around the deposits. Assets, whether they are investments or loans, are geared to a deposit base.

That is the nature of banking. And to have a withdrawal of \$2 billion from a New York bank—while not breaking that institution—would be discomfiting at best. The bank would have to maneuver in the marketplace, for one thing, without upsetting the market too much, or they would have to pay too much to replace those funds.

#### FEDERAL RESERVE POLITICAL INSURANCE

So I come at you with a recommendation, to prevent this insidious power from manifesting itself. I suggest that the Federal Reserve be directed by the Congress to replace for a 3-month period of time any deposits withdrawn over political considerations.

Now you might say to me that banks at the present time can borrow from the Federal Reserve. Why direct them in this way? And I say to you the banks have the privilege of borrowing from the Federal Reserve, but not the right. I spent 14 years in the Federal Reserve System before I became a commercial banker. I have been more than 10 years with the First Pennsylvania, 6 of those years as the chief executive officer, and I assure you over that period we have never borrowed for anything like a 30-day period, let alone a 90-day period.

Our borrowings have all been, when we borrowed, overnight, and a good, well-run bank doesn't borrow for much more than 2 or 3 days at a time and does that very, very seldom. So this would be asking the Federal Reserve to do something new for a bank.

If a bank borrows for longer than that, it is tantamount to accepting from the Federal Reserve a lot of advice on how you handle your affairs. So I am saying something be established so that this latent insidious power does not inhibit commercial banking actions.

I am asking you to assure those banks with those funds that if the funds are withdrawn for political reasons, they would not have to maneuver in the marketplace to replace them, but can borrow from the Federal Reserve with nothing bad happening to them as a result of that borrowing. This will give them time to accommodate themselves to the withdrawal of even very large sums of money.

I think the banks themselves will not want this power, and my guess is will testify against it. I think the banks will say they don't need it. I think it would seem insulting to those banks to indicate that they would be inhibited.

I am saying that subconsciously they will be to some extent inhibited by the fear of losing these vast deposits. I say in conclusion that if I were a Jew in the United States or Israel, I would want those banks to have that unneeded, if it is unneeded, insurance, and I say that to you, not only if I were a Jew, but as a concerned citizen in this country.

Thank you for your attention.

[Mr. Bunting's prepared statement follows:]

#### PREPARED STATEMENT OF JOHN R. BUNTING

First Pennsylvania Corporation and First Pennsylvania Bank historically have done little or no direct business in Middle Eastern countries. Involvements were traditionally limited to small participations in credits for trade in that area. We are not the primary, or "lead" bank in credits to any international oil company, although we do have continuing major banking relationships with a number of such companies.

In June 1972, this general situation changed in that First Pennsylvania Corporation became the largest shareholder in an amalgamation of several banks in Israel. Indeed, it was our very lack of primary involvement in the Arab world of oil that helped us make our decision to enter Israel. We reasoned that some large New York banks, deeply enmeshed in Arab oil, had not entered Israel and probably would not so that we would be the major American "establishment" bank in that country.

The new bank that we formed is called the First International Bank of Israel. First Pennsylvania, with a 41.6 percent interest, and the Government of Israel, with an interest that now is slightly more than 30 percent, are the lead shareholders. A consortium of British interests until recently held about two-fifths of the shares now owned by the Israeli Government, but the UK consortium encountered financial difficulties outside Israel that forced sale to the Government. A group of Israel manufacturing interests hold a little more than 10 percent of the shares, and the remainder—about 18 percent—are scattered among a number of minority interests, none of which owns as much as 4 percent.

Our investment in FIBI now amounts to \$13.4 million, of which \$11.1 million is paid-in capital and \$2.3 million is represented by retained earnings.

The bank has been quite successful and has expanded profitably. That is why we invested in Israel in the first place. It seemed a logical point of entry into doing business in a major and profitable way in the Middle East. We had no foothold elsewhere in the region and would have faced very stiff competition if we had tried to gain such a foothold. The Israeli venture offered us an opportunity to occupy a niche in the region that other banks had chosen not to occupy. We are happy with our Israeli investment and have paid in added capital on call, as prearranged in the original agreements when FIBI was organized, pro rata with other shareholders.

First Pennsylvania has experienced no boycotting by Arab interests on account of any connection it has with Israel or with Jewish-owned businesses elsewhere—at least, none of which we are aware. The fact is not of exceptional significance because, as previously stated, we are not and traditionally have not been a large factor in Middle Eastern dealings. We continue to participate from time to time in Middle Eastern credits and, as stated earlier, we continue to enjoy major banking relationships with various large oil companies.

Nevertheless, the subject of this Subcommittee's inquiry is a matter of great intrinsic concern. Let me say as clearly and forcefully as I can that it is impossible to transfer the vast wealth that the quadrupled oil price produces for the Arab world without also turning over to them tremendous latent power. It is our responsibility to be aware of this potential power, to attempt to guide its use toward constructive channels, and to counteract it if used narrowly and prejudicially.

The fact is that even "latent" power has the force to intimidate, to inhibit. Consider again our reasons for entering Israel: one was that large banks with

primary oil relationships would not dare to do the same—and this was before the Arab oil embargo and the quadrupled price.

Now the problem is more obvious and more portentous. "Latent" power has grown enormously; the oil boycott indicates a willingness to use it; and some have shown themselves to be intimidated by it.

Permit me now to explain in somewhat more detail what I mean by "tremendous power" insofar as banking is concerned. Probably most of the Arab money that has come into this country over the past year has entered by way of four or five large banks. Let me hasten to say that these four or five banks did not have to do anything unusual to be the repository of these funds. This past year was one of some uncertainty about the viability of the banking system, and in this environment only those banks "too large for the Federal Reserve to permit to fail" seemed safe enough for the vast sums the Arabs transferred here.

It was natural too that the Arab holders of wealth would move from Government securities to the private banking system. Bank certificates of deposit pay higher interest rates than Treasury bills, are nearly as safe, and have the added dimension of establishing credibility with powerful, active institutions.

There is nothing about the way those funds were attracted to those banks, nor about the way that those banks have acted since receiving the money, that I know, that I would criticize. It is the insidious, inhibiting potential power of this money that I want to warn about, and to propose a solution.

You must understand that even to the largest banks the vast sums of money coming from the Arab world loom important. Of course, banks are accustomed to dealing with large sums of money, but they are not accustomed to dealing with big money that is politically volatile—that can be withdrawn abruptly not because of financial conditions, interest rates, etc., but because the individual bank or its government's action toward Israel or the Jewish community displeased Arab interests.

Billions of dollars could leave a bank overnight exposing that bank to hasty and expensive maneuvers in the marketplace to replace those deposits—they have to be replaced because they are supporting loans. Such withdrawals will not "break" the banks we are talking about, but they will cause discomfort and expense. Banks will seek not to be discomforted, so that subconsciously their actions will be inhibited and influenced.

To prevent this insidious power from manifesting itself, I suggest that the Federal Reserve System be directed by the Congress to replace for a three month period any deposits withdrawn as a result of "political" considerations. You may say that banks can borrow from the Federal Reserve System now, why go through this new Congressional order. I say to you that borrowing from the Fed is a privilege, not a right; well-run banks very seldom borrow and when they do, just for a day or so at a time, and borrowing for an extended period brings all kinds of Federal Reserve intrusion into a bank's affairs. I am asking that banks have the "right" to borrow for an extended period when funds are withdrawn for "political" considerations.

It is most likely that the banks who are receiving Arab funds will not want to "insurance." They will resent the implication that they would be influenced untowardly by Arab money, and that they would need help if the money were withdrawn.

I say to you that if I were a Jew in this country or in Israel I would want them to have this "unneeded insurance."

#### SIZE OF ARAB DEPOSITS IN BANKS

Mr. BINGHAM. Thank you very much, Mr. Bunting, for a very interesting presentation. Can you give us some idea of what the size of the deposits are that you are referring to in the four or five banks?

Mr. BUNTING. Well, here I would not want you to think that I have information on that that I derived from anyplace but the public press and from casual reports. I have not seen the books of those banks and you could put me before another committee and I would be prosecuted if I had, I suppose. Certainly at one time last year it was alleged that four or five banks had about \$12 billion.



I don't think it would be an exaggeration to say that there have been or are New York banks with \$2 billion from Arab OPEC nations.

#### FIRST PENNSYLVANIA NOT INTIMIDATED BY ARABS

Mr. BINGHAM. Mr. Bunting, you or your bank recently put advertisements in, I don't know how many, papers in this country——

Mr. BUNTING. Well, the papers in which the original story appeared—I didn't mean to interrupt you—that was a response to a story that was in the Knight newspapers and was on the first page of the Inquirer in Philadelphia and the Miami Herald in Miami, so that we did take ads in those two papers to respond to it because our press releases were unheeded by those papers.

Mr. BINGHAM. Will you tell us for the record what was involved?

Mr. BUNTING. Certainly. The story was that we were—I called it a lamppost interview because I think the person who wrote the story made a good guess that because of all the pressures, et cetera, First Pennsylvania was losing interest in its Israeli investment and, indeed, was trying to get out of it.

The story was written from a source within First Pennsylvania. That is why I call it a lamppost. I think he figured all this out and interviewed a lamppost. But be that as it may, he may have found someone to agree with his theory, but the story seemed to say that we were intimidated by the Arabs, that we had been pressured and that we were, if not overtly, quietly withdrawing.

The story was untrue to begin with. Let's start there. That is the biggest reason we responded to it. But second, it was a story that potentially damaging for our banking institution to appear to be intimidated in that way. It doesn't set with the kind of honest image we are trying to project, so we took an ad and indicated our pleasure with the investment and vowed that we had no intention of leaving.

We didn't say it defiantly, but since the investment is a very successful one, we have every reason to stay.

#### OTHER CONCERNS AFFECTED BY BOYCOTT

Mr. BINGHAM. You have indicated to us that First Pennsylvania has not itself suffered from the Arab boycott. Have you in your dealings with business people, other financial institutions, acquired information about concerns that have been affected by the boycott?

Mr. BUNTING. I would say this to you, Mr. Chairman, and I will elaborate on it a little because I want to be as clear as possible. I don't think that anyone I know, has indicated to me directly that they have suffered. I think, however—and I don't say this in a superior way making judgments on others because it could well be the case with us, too—I think any number of bankers to whom I have talked have by the things that they have said indicated that if you wanted to use the toughest word, they have been intimidated by the fact that with all this Arab money, it wouldn't be terribly wise to go parading around in the Jewish world at this time.

Mr. BINGHAM. In connection with the Middle Eastern credits that you have participated in, did you know whether those shipments, and I presume they were shipments, had to be accompanied by certificates



that the vendor was not trading with any Israeli firm or with Israel itself?

Mr. BUNTING. I have heard things like that. All of the evidence that I could give you firsthand would suggest, however, if that is true, they are pretty incompetent. By that I mean they haven't policed it well. I don't know that that is the case. People have alleged that to me, but we have been a part of any number of things and our officers have traveled in some parts of the Arab world as First Pennsylvania officers and with no apparent inability to communicate or to transact business.

We have not traveled in certain countries—I don't think there is any sense of naming them here. People told us we would be unwise to travel in one of the countries, but in other parts of the Arab world we have men who have visited businessmen and bankers in those regions and, of course, indicated they were from First Pennsylvania.

Mr. BINGHAM. Thank you very much.

Mr. Biester.

Mr. BIESTER. Thank you, Mr. Chairman. I take special pleasure in welcoming the witness to our subcommittee as he is a leader in the community adjacent to mine.

Mr. BUNTING. Thank you.

Mr. BIESTER. I believe that is the last time anybody from Bucks County can characterize Philadelphia as "adjacent" to it.

Mr. BUNTING. No. That's all right. I live in Montgomery County.

Mr. BIESTER. When you said \$2 billion, that is \$2 billion per bank?

Mr. BUNTING. No. What I meant to say, I am rather sure of the figure of \$12 billion for the banks in total, and therefore I felt safe in saying they could withdraw \$2 billion from an individual bank.

#### UNITED STATES SUCCESSFUL IN RETRIEVING OIL PAYMENTS

Mr. BIESTER. One has ambivalent feelings about that. Since we buy quite a small amount of oil from Arab States—most of the OPEC countries we deal with are Nigeria, Venezuela, Indonesia, certainly less than \$12 billion flowed out from the United States to Arab states. That means in the war for capital we are doing pretty well, and in retrieving indirectly through the Arabs, from Japan and Western Europe back into the United States.

Mr. BUNTING. I would think we are (a) because this is the best economic show in the world, and (b) it is good and bad as I guess we are saying to each other.

Mr. BIESTER. In the consortia that you have in other Middle Eastern countries, have any of the lead banks been banks which one might expect to have a bad reception in Arab States?

Mr. BUNTING. No, but there aren't many banks that are establishment banks that one would expect to have a bad experience in the Arab world.

#### BAD EXPERIENCES IN ARAB WORLD

Mr. BIESTER. Have you been aware of any banks that have had a bad experience in the Arab world?

Mr. BUNTING. None that I would feel comfortable in testifying—none that I know firsthand. I have heard stories, which I might tell

them to my wife, and that would be about it. None that I would want to relate here.

Mr. BIESTER. Are there any companies that you are aware of in the course of your private consortium that has had a bad experience?

Mr. BUNTING. Well, we have companies that—yes, we have companies that we know do not feel able to have their people move in the Arab world, let alone do business there, yes, sir, very definitely.

#### POLITICAL INVESTMENT

Mr. BIESTER. In terms of—and we touched on this earlier in terms of the problem with capital flow, as a banker, what in your experience, and I guess I am asking for something which very few people have any experience about, but where is the crossover point at which an investor ceases to be a capitalist and becomes a politician?

Mr. BUNTING. Now that is very difficult. I was very much interested in the dialog that all of you gentlemen had with the previous person who testified, and I find that a very difficult area and I find it very uncomfortable.

I would find myself very uncomfortable supporting the gist of the previous testimony because I think it quite honestly is too restrictive and I do not feel, for example, that 5 percent of a large corporation in foreign lands is not terribly important one way or the other, or for that matter, 25 percent of a large corporation in foreign lands.

I just don't feel that is true, and I don't really think that at this time in the history of the United States, after all of the investments we have made in Europe and the Far East in the postwar period, that it would be very becoming for us to set up these kinds of percentages.

Mr. BIESTER. That is an enormous problem for me. That is what I am getting at, and we have reaped enormous profit out of it, and closing the door—

Mr. BUNTING. And I am not suggesting closing the door. I am suggesting something that will, I hope, preclude the insidious power that money has, and I think I would rather direct my efforts in that vein.

Mr. BIESTER. I appreciate it very much and I thank you.

Mr. BINGHAM. Perhaps we should suspend, if you will forgive us. We have a quorum call and we will suspend for a few minutes.

[A brief recess was taken.]

Mr. BINGHAM. The subcommittee will be in order. Mr. Whalen.

Mr. WHALEN. Thank you, Mr. Chairman.

#### WOULD FEDERAL RESERVE INSURANCE COMMAND INTEREST?

I was intrigued by your proposals for political insurance and I was going to ask you this question, and Mr. Gilman, who can't come back, also was interested. Would this credit, if granted, command interest?

Mr. BUNTING. Well, no. What I am asking Congressman, and I think I understand your question, what I am asking is that the deposits be replaced by credit from the Federal Reserve System. The deposits that are replaced would pay the same interest as the bank was paying to whoever withdrew them for political purposes, if you see what I mean.

Let's suppose the bank was paying 6.5 percent on that certificate of deposit. I would think when the Federal Reserve made the loan or supplied the deposit to replace the deposit, it would cost the bank the same interest rate.

Mr. WHALEN. I wonder if perhaps a better institution to provide the loan service might not be the Federal Deposit Insurance Corporation. That is their business, in a way, and they have more funds available for that kind of investment than does the Federal Reserve.

Mr. BUNTING. That could well be.

#### EFFECT OF INVESTMENT ON STOCK MARKET

Mr. WHALEN. I want to call upon your background in financial affairs. You have mentioned a \$24 billion outflow of funds from the United States last year to the OPEC nations. Our previous witness has expressed concern, and I think you shared it that in time perhaps a good part of that might find its way into security investments. The money in the first place that went out represented operating expenses. However, in coming back, it would be used for capital investment purposes if it, indeed, went into the securities market.

Most, if not all, of whatever is invested would not be used to expand our plant capacity in the United States, but would be used to purchase existing corporate securities. Do you have any idea as to what the effect on impact that would have on the stock market over a year's period?

Mr. BUNTING. Well, let me say that he skipped over the point where I am.

Mr. WHALEN. May I interrupt? Let me clarify my question.

I didn't mean in terms of security risks and so on, but the thrust of my question was how much of an increase will this generate in stock prices?

Mr. BUNTING. Well, potentially it could generate an enormous increase because I wouldn't limit the funds flowing back here to the difference between 7 and 24. Actually the difference, as I recall, in terms of the industrialized world was something like \$24 billion and \$100 billion, so you are talking really about \$75 billion in new moneys that they have, all of which could easily be turned into dollars and come back here, so that the potential for mischief, if you will, in the stock market is enormous.

And I have tried to carefully limit myself to what I knew about, rather firsthand in my testimony here, but there are—and this is not something about which I know firsthand, but there are those who think that Arab money at the present time is in large measure responsible for the buoyancy in the market in the face of certainly discouraging business.

Mr. WHALEN. Well, that certainly would, I think, call for some kind of disclosure requirements. In answer to my query you have perhaps raised another question.

If severely restrictive investment legislation is adopted by Congress, we cannot assume that all of the \$24 billion will come back to the

United States. In fact, all or part of those dollars could be invested in Europe or elsewhere.

Mr. BUNTING. Absolutely.

#### SENATE LEGISLATION ON BOYCOTT

Mr. WHALEN. I think you have already answered this, but let me just restate it for the record. You know Senator Williams' subcommittee is considering legislation on foreign investment and he is, as I understand it, proposing an additional provision which would require that the President be authorized to deny investment opportunities to those who have discriminated against U.S. companies, which have dealt with other nations that are allies of ours.

How do you view that?

Mr. BUNTING. I view it as almost impossible for me to reconcile my views with specific legislation in that regard. I would be delighted to read it and give you an opinion. I can't conceive of it, however, personally.

Mr. WHALEN. Thank you, Mr. Chairman.

Mr. BINGHAM. Thank you.

#### FOREIGN INVESTMENT IN 1974

Mr. Bunting. I would like to read a couple of sentences from a statement made by Gerald Parsky, the Assistant Secretary of the Treasury, on January 13, and I will ask you to comment.

Of the estimated \$11 billion that was directly invested in the United States last year, about one-half was placed in marketable government and agency securities. We estimate less than a billion was placed in U.S. real estate and private securities. The rest is in bank deposits on short-term money market instruments.

That would seem to be at quite a variance of your estimates.

Mr. BUNTING. Well, I think that the figure of \$12 billion is not far from 11. I think that the Treasury securities alluded to there, I don't think that is a fixed figure, Mr. Chairman. What I mean by that is I think there was a time during the year when if you took a snapshot of the Arab investments, that you would have found \$5 billion in each of government securities and in bank CD's, and the \$1 billion or whatever it was in real estate and other investments.

I think that would have represented a snapshot at one time last year. I think there were times last year when Arab investments moved out of Treasury securities because they came due. I mean they were buying billions and things which are 30, 60 days, et cetera, and you at different times last year had a heavier representation in CD's, certificates of deposit. In other words, I think it depends when you took the snapshot of their investment portfolio.

I told you I had no inside information on that. But that is my impression of the situation.

#### FEDERAL RESERVE INSURANCE MAY NOT RELIEVE ARAB PRESSURE

Mr. BINGHAM. One final question. I was most interested by your recommendation and I would be inclined to be sympathetic with it. I wonder, however, if, even if that were done, these banks that do so much business with the Arab world wouldn't still be under very

intense, possibly subtle pressure, not to do anything that would displease the Arab States.

Mr. BUNTING. I think I would feel better about criticizing them if I noticed them being inhibited by that subtle pressure. At the present time I would feel more of a sympathy with them because at the present time, in a sense, they are doing our society a lot of good by being the institutions through which these funds are recycled and that is a service to the well-being, I think, of our society at this time.

And, therefore, I find it very difficult to be critical of them if they are inhibited in the way they act when they are performing this service for us. I think, however, if they were insured, that the withdrawal of these funds would be softened, would be ameliorated by actions of either the FDIC or the Federal Reserve in replacing them for a given period of time and permitting them to adjust to the replacement.

I would feel somewhat freer to be critical if they are inhibited. It wouldn't solve it entirely and I recognize the point you are making. I am not trying to discredit the point entirely. I think there would still be subtle pressure.

Mr. BINGHAM. You made the point that your investment in Israel had been partly because these banks were not about to go into Israel and that was, in effect, responding to a kind of inherent pressure.

Mr. BUNTING. Right.

Mr. BINGHAM. I take it you weren't critical of them for that decision.

Mr. BUNTING. I think you may take it that I understood that decision.

Mr. BINGHAM. Well, we want to thank you again, Mr. Bunting, for coming down and giving us the benefit of your views.

Mr. BUNTING. Thank you, sir.

Mr. BINGHAM. The subcommittee will stand in recess until 2 o'clock tomorrow afternoon.

[Whereupon, at 3:45 p.m. the subcommittee recessed, to reconvene at 3 p.m. of the following day, Thursday, March 13, 1975.]





# DISCRIMINATORY ARAB PRESSURE ON U.S. BUSINESS

THURSDAY, MARCH 13, 1975

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON INTERNATIONAL RELATIONS,  
SUBCOMMITTEE ON INTERNATIONAL TRADE AND COMMERCE,  
*Washington, D.C.*

The subcommittee met at 2 p.m., in room 2255, Rayburn House Office Building, Hon. Jonathan B. Bingham (chairman of the subcommittee) presiding.

Mr. BINGHAM. The Subcommittee on International Trade and Commerce will come to order.

We are pleased to have witnesses today from the State Department, the Department of the Treasury, the Department of Commerce, and the Department of Justice. It is my intention to ask the witnesses to make their presentations, and we will defer questioning until they have finished. We will start with the State Department and Mr. Sober.

## STATEMENT OF SIDNEY SOBER, DEPUTY ASSISTANT SECRETARY FOR NEAR EASTERN AND SOUTH ASIAN AFFAIRS, DEPARTMENT OF STATE

Mr. Sober is the senior Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs. He has held this position since early 1974. Immediately prior to his present assignment, he was Minister-Counselor at our Embassy in Pakistan for several years, acting for a protracted period as Charge d'Affaires a.i. His previous service includes several years in the Department of State as Director of Regional Affairs for the Eastern and South Asian area, as well as tours of duty in various capacities at posts in India, Turkey, Iceland, Czechoslovakia and Madagascar. Mr. Sober is a Foreign Service Officer of Class 1.

Prior to joining the State Department in 1947, Mr. Sober served in the U.S. Navy during World War II, seeing duty as an officer aboard a destroyer in the Pacific theatre. Born and brought up in New York City, he has degrees from the City College of New York and The George Washington University. He has spent separate academic years, in addition, in Paris, at Northwestern University, and the U.S. Army War College.

Mr. SOBER. Mr. Chairman, I am sure the subcommittee will understand that while we are in the middle of delicate negotiations in the Middle East, this is a particularly difficult time to be discussing the subject before us today.

I nevertheless wish to be responsive to the subcommittee's interest in discussing the policy of the Department of State toward the Arab boycott of Israel and actions by the Department in connection with the boycott.

Let me begin by putting the boycott in its Middle East context.

## BACKGROUND OF ARAB BOYCOTT

The Arab boycott of Israel is one manifestation of the basic Arab-Israeli conflict and thus arises from deep-seated political and emotional factors. The initial boycott organization, which was set up as a committee of the Arab League Council at the beginning of 1946, applied a primary boycott to prevent the entry of certain products into Arab countries from what is now the State of Israel.

The secondary boycott, designed to inhibit third parties from assisting Israel's development, was introduced in 1951, and it is this secondary boycott that affects American economic relations with a number of Middle East countries.

The scope of the boycott has been broadened through the years, and it applies at a variety of activities which are seen by the Arab countries as constituting a special economic relationship with Israel.

An extension of the boycott has involved the blacklisting of foreign actors, artists, and other entertainment figures—and their films or recordings—judged to have aided Israel, such as through fundraising.

It is our understanding that, generally speaking, the act of trading with Israel, as such, does not violate any of the regulations of the boycott organization and does not of itself bring the boycott into effect.

However, the Arab countries themselves reserve the power to interpret the boycott regulations and decisions, and our experience suggests that they are not uniformly applied. There are a number of firms which do business in Israel and Arab countries.

It is impossible to determine how much the boycott up to now has actually harmed Israel, whose economy has been growing at the rate of about 10 percent annually. We recognize, however, that the rapidly increasing economic strength of certain Arab countries has enhanced the Arab boycott as a potentially effective weapon against Israel.

There is a likelihood that the growing attractiveness of commerce with Arab countries will place greater pressure on some foreign firms not to deal with Israel because of the boycott.

## U.S. POSITION ON ARAB BOYCOTT

Now I want to come to the position of the United States with regard to the boycott. As stated on numerous occasions our position is clear and it can be summarized as follows: The United States opposes the boycott. We do not support or condone it in any way.

The Department has emphasized our opposition to the boycott to the Arab governments on many occasions as it adversely affects. U.S. firms, vessels, and individuals. Where the commercial interests of American firms or individuals have been injured or threatened with injury, we have made representations to appropriate Arab officials.

Consistent with our policy of opposition to the boycott, as reflected in the Export Administration Act of 1969, the Department of State has refused hundreds of requests from U.S. companies for authentication of documents relating to the boycotting, as being contrary to public policy.

A number of American firms with boycott problems have consulted with Department officials. These firms have been (a) reminded of their

reporting responsibilities under the Export Administration Act, and (b) encouraged and requested to refuse to take any action in support of restrictive trade practices or boycotts.

A fundamental factor which has to be faced is that Arab governments regard the boycott as an important element in their position toward Israel, and one of the basic issues of the Arab-Israeli conflict to be dealt with as progress is made toward resolving that conflict.

Indeed, this is one of the issues which we have very much in mind as we continue our diplomatic efforts to help the parties achieve a just and lasting peace.

The problem has been how to change effectively the underlying conditions which led to imposition of the boycott. We believe that we can best serve this objective not through confrontation, but by continuing to promote with the parties directly concerned a peaceful settlement of basic Middle East issues.

We believe that our present diplomatic approach is the most effective way to proceed.

#### POSSIBILITY FOR RELIGIOUS DISCRIMINATION

Though the boycott emerged from the political problems of the Arab-Israeli conflict, we are also concerned by reports that it could be used for discrimination on outright religious grounds.

On this subject, President Ford has recently said:

There have been reports in recent weeks of attempts in the international banking community to discriminate against certain institutions or individuals on religious or ethnic grounds.

There should be no doubt about the position of this administration and the United States. Such discrimination is totally contrary to the American tradition and repugnant to American principles. It has no place in the free practice of commerce as it has flourished in this country.

Foreign businessmen and investors are most welcome in the United States when they are willing to conform to the principles of our society. However, any allegations of discrimination will be fully investigated and appropriate action taken under the laws of the United States.

I have completed the quote from the President.

#### SUMMARY

In summing up, I want to reemphasize: that we oppose the boycott and will continue to make our opposition to it known, and that we will continue to oppose any efforts to discriminate against American firms or individuals on the basis of religion or ethnic background.

At the same time, we will continue to do our utmost to help the countries in the Middle East to find a basis for resolving the Arab-Israeli dispute and to arrive at a just and durable peace.

It is our conviction that in the attainment of peace lies the fundamental basis for the resolution of the boycott issue, among others, which we are discussing today.

Mr. BINGHAM. Thank you, Mr. Sober.

Our next speaker is Hon. Gerald L. Parsky, Assistant Secretary of the Treasury for Trade, Energy, and Financial Resources Policy Coordination.

## STATEMENT OF HON. GERALD L. PARSKY, ASSISTANT SECRETARY FOR TRADE, ENERGY, AND FINANCIAL RESOURCES POLICY CO- ORDINATION, DEPARTMENT OF THE TREASURY

Gerald L. Parsky was confirmed June 17, 1974, as Assistant Secretary of the Treasury with responsibilities for Trade, Energy, and Financial Resources Policy Coordination. In this capacity, he serves as Executive Secretary of the East-West Foreign Trade Board, the Joint U.S.-Saudi Arabian Commission on Economic Cooperation, and is coordinator of economic and financial relations with Middle Eastern countries, including Saudi Arabia, Egypt, Kuwait, Iran and Israel. Mr. Parsky also represents the United States at the International Energy Agency.

This year Mr. Parsky was named as one of America's Ten Outstanding Young Men by the U.S. Jaycees. He had been Executive Assistant to William E. Simon when Mr. Simon served as Deputy Secretary of the Treasury in 1973, and subsequently, served as Mr. Simon's Executive Assistant in the Federal Energy Office.

Mr. Parsky came to the Treasury Department in 1971 as Special Assistant to Edwin S. Cohen, Assistant Secretary for Tax Policy and later Under Secretary of the Treasury. Prior to coming to Washington, he was an Associate in the New York law firm of Mudge, Rose, Guthrie and Alexander, specializing in corporate and securities law. He also served as an English Master at Suffield Academy, Suffield, Connecticut.

Mr. Parsky was born October 18, 1942 in West Hartford, Connecticut. He received his A.B. degree (cum laude) from Princeton University in 1964, and his J.D. degree, with honors, from the University of Virginia Law School in 1968.

He is married to the former Susan Haas (Pembroke College, B.A. 1967; Bank Street College, M.A. 1971). They have two children and reside in Washington, D.C.

Mr. PARSKY. I am pleased to be here this afternoon as the representative of the Treasury Department to speak on matters concerning the Arab economic boycott of Israel.

### U.S. POLICY OF TRADE AND ECONOMIC COOPERATION

It is the policy of the United States to encourage trade and economic cooperation with all countries with which we have diplomatic relations. Pursuant to that policy, and in a belief that closer economic ties with nations in the Middle East could further political as well as economic stability, the U.S. Government has undertaken to establish closer economic cooperation with countries in the Middle East.

These efforts have been informal, as in the case of Kuwait and the Emirates, and formal, through bilateral economic commissions with Egypt, Israel, Iran, and Saudi Arabia, among others.

At the heart of our approach to these economic relationships is the belief that peace and economic progress are interrelated. Without peace, economic progress will be short-lived. However, through economic progress, we can assist our efforts to achieve peace.

I have participated actively in all of these relationships and, in particular, in our joint Commissions, which I found to be a sound vehicle for dealing with the wide range of economic issues confronting us. Each Commission has had to face its own set of problems because the countries vary considerably in their policies.

For instance, the United States-Saudi Arabian Joint Commission on Economic Cooperation, established by Secretary Kissinger and the Second Deputy Prime Minister of Saudi Arabia, is headed on the U.S. side by the Secretary of the Treasury. Its stated purposes are to promote programs of industrialization, trade, manpower training,



agriculture, and science and technology. The Secretary of the Treasury is also U.S. Chairman of the United States-Israel Joint Committee for Trade and Investment which has been dealing with ways to enhance collaboration in the areas of investment, trade, raw materials supply, and scientific cooperation between our countries.

Recently, questions have arisen as to whether it is appropriate for the U.S. Government to pursue these policies in light of the Arab boycott. In answering these questions, I think it is important to begin with the clearest possible understanding of the nature of the Arab practices.

#### DISTINCTION BETWEEN ECONOMIC BOYCOTT AND RELIGIOUS DISCRIMINATION

In particular, I would like to distinguish between the Arab economic boycott of Israel, on the one hand, and discriminatory activities based on religious or ethnic grounds on the other.

The Arab boycott of Israel has been in operation since the late 1940's. It is both a primary boycott in that Arab countries do not do business with Israel, and a secondary boycott in that it operates to prevent certain businesses from doing business in Arab countries or entering into joint business undertakings with Arab firms, if they have especially close economic ties with Israel, or if they contribute to the Israeli defense capability.

Although the existence of the boycott machinery may have in the past resulted in some instances of religious discrimination, the best information available to us indicates that the boycott has been based primarily on these economic factors. To our knowledge, questionnaires distributed by the boycott office focus on the economic relations of businesses to Israel. They generally do not request religious or racial information.

I personally believe that any country has the right to determine with whom they will do business. I also believe, however, that there is no place in our society for discrimination used on religious or ethnic grounds, and no one should be allowed to impose such discrimination on us. The U.S. Government has consistently opposed the boycott, and we shall continue to oppose it. The Department of State has repeatedly made known our disapproval of the boycott through diplomatic channels and has on numerous occasions offered assistance to affected U.S. firms.

Treasury Department officials have made clear to Arab representatives to joint commissions that we oppose the boycott and consider it is injurious to our bilateral relations and to their development efforts.

Furthermore, we believe we are, in a real sense, working to end the boycott of U.S. firms by promoting closer economic ties with all the nations in the Middle East. These ties serve to demonstrate the potential contribution of U.S. firms to their economies.

#### ECONOMIC COST TO ARAB COUNTRIES INVOLVED IN BOYCOTT

There is an economic cost to the Arab countries involved in boycotting U.S. firms—the opportunity cost of foregoing U.S. technology, managerial talent, and capital—and this cost will become clearer as economic cooperation increases. We believe this is an especially im-

portant consideration with regard to the non-oil-producing countries in the Middle East which are more readily inclined to the removal of implements to their own economic growth. Thus, we have seen cases where companies have been permitted to do business in these countries, although they continue their relationship with Israel.

More importantly, we are attempting to create an economic and political climate in which a lasting peace settlement in the Middle East is possible. The boycott arose as part of the continuing conflict between the Arab countries and Israel, and it will most effectively be dealt with in that context. A peace settlement is the best way to bring a definitive end to the Arab boycott.

#### BOYCOTT'S EFFECT IS GREATER BECAUSE OF OIL

We must, however, recognize that the increased economic power of Arab oil-exporting countries has substantially enhanced the potential effect of the boycott. Being boycotted by the Arab League is a much more serious situation for most American firms in 1975 than it was 1955. In recognition of this, I think it is altogether appropriate that we reexamine our legal and other means to effectively counter the effects of the boycott. As you are aware, President Ford has ordered an interdepartmental study which is presently being conducted to determine what U.S. laws may be brought to bear on this problem, and also what additional steps, if any, should be taken by the Government in response.

#### U.S. COMMITMENT TO FREE-AND-OPEN MARKET

I do not believe, however, that the answer to the boycott issue lies in increased confrontation, nor is it properly addressed by altering our traditional policies of a free-and-open market for trade and investment. The Congress, as well as the Executive Branch, is reviewing U.S. policy in that area. As we do so, I would urge that we keep in mind that foreign investment and the policies we adopt with respect to such investment, has a significant impact on other matters. It will have an overall effect on the domestic economy. It will have an impact on capital formation in the United States, and on our ability to satisfy the capital requirements of our businesses. It will have consequences with respect to our foreign policy.

We have had a longstanding commitment to achieve an environment for international investment in which capital flows are responsive to market forces, unencumbered by governmental influence, and we have urged other countries to help create such an environment. We feel strongly that this policy helps maximize long-term economic growth and productivity, and we should be very cautious before altering it. Our recent economic efforts have resulted in several Arab governments agreeing to consult with us prior to undertaking significant investments in order to assure that such investments are consistent with our national policies and objectives.

This, to me, is a positive development and we are hopeful that all foreign investors will follow such a policy.

In conclusion, recognizing the interdependence of the world's economies, we believe that an atmosphere of respect and understanding, friendship and cooperation can help to temper the extremity of

political disputes, can solidify political understanding and can help resolve the critical economic problems facing us.

Thank you.

Mr. BINGHAM. Thank you, Mr. Parsky.

Our next witness is Charles W. Hostler, Deputy Assistant Secretary for International Commerce, Department of Commerce.

# **STATEMENT OF CHARLES W. HOSTLER, DEPUTY ASSISTANT SECRETARY FOR INTERNATIONAL COMMERCE, DEPARTMENT OF COMMERCE**

Until joining the Department of Commerce Dr. Hostler was the founder and Chairman of the Board of the Irvine National Bank and President of Hostler Investment Company of Newport Beach, California, and for 6 years was associated with McDonnell Douglas Corporation as Director of International Operations based consecutively in Paris, Beirut and California. Prior to his retirement from the Air Force as Colonel in 1963, he was a member of the Policy Planning Staff for International Security Affairs in the Office of the Secretary of Defense. He was U.S. Air Attache accredited to Lebanon, Jordan and Cyprus.

Dr. Hostler was born in Chicago, Illinois, December 12, 1919. He graduated from the University of California at Los Angeles with a B.A. in 1942; received an M.A. from the American University of Beirut in 1955 and graduated from Georgetown University with an M.A. in 1950 and Ph. D. in 1956.

Dr. Hostler is a member of the American Political Science Association and is listed in Who's Who in the West and Who's Who in Science. He is the author of several books including Turkism and the Soviets and The Challenge of Science Education.

Mr. HOSTLER. Thank you, Mr. Chairman.

I welcome this opportunity to present the Department of Commerce's views concerning the issue of discrimination on religious or ethnic grounds and the Arab economic boycott of Israel.

I have a complete statement to submit for the record. However, with your permission, I would like to condense my remarks, and present some of the more salient features contained in my statement.

The Department of Commerce subscribes totally to President Ford's statement of February 26 on this subject. We view the problem as involving two separate issues. On the one hand, we are faced with allegations of Arab pressures on certain U.S. institutions to undertake actions which discriminate against American citizens, or firms on the basis of race or religion.

Second, on the other hand, there is a longstanding system of economic sanctions applied by Arab-League countries against certain types of business relationships undertaken by U.S. firms with Israel. As different issues, they need different remedies and approaches.

## **COMMERCE DEPARTMENT OPPOSES DISCRIMINATION AGAINST U.S. CITIZENS**

As to discrimination, there is no question that the Department of Commerce finds unacceptable any pressures on U.S. private institutions to discriminate against U.S. citizens or firms in their investment or employment policies.

As Secretary Dent wrote to Senators Javits and Williams, on March 7:

I fully share your indignation at attempts by any groups, foreign or domestic, to discriminate against American institutions on religious or ethnic grounds.

As you know, the President has directed several departments, including the Department of Commerce, to investigate allegations of ethnic discrimination in activities carried out pursuant to laws and programs under their jurisdiction. It would be inappropriate for me to comment further until these investigations of discrimination against U.S. citizens and firms have been completed.

At the same time, and also at the President's request, we are investigating whether there have been any instances of pressure or submission to pressure for such discrimination within the Commerce Department. Although this investigation is not yet complete, I am pleased to report that no instances of such discrimination within the Department have yet been found.

On the contrary, at least one Department of Commerce representative recently traveled to an Arab OPEC nation after openly acknowledging he was Jewish.

Now, the Arab boycott of Israel poses a different problem. This government's opposition to the boycott, in accordance with congressional policy, is a matter of record.

I would endorse the comment of Deputy Assistant Secretary of State Harold H. Saunders in his February 26 appearance before Senator Church's subcommittee, to the effect that the question is not whether we oppose the boycott, but how we can most effectively work to change the situation which gives rise to it.

It in no way detracts from our policy of opposition to recognize that in trying to deal with this issue, we are concerned with conditions imposed by independent nations on their own external economic relations, which impact on U.S. economic interests. Moreover, however negative our reactions to them, they reflect convictions deeply held by the Arab countries.

#### "DISCRIMINATION" AND "BOYCOTT" ARE NOT INTERCHANGEABLE TERMS

It is unfortunate that in the current dialog, the terms "discrimination" and "boycott" are becoming virtually interchangeable. I say unfortunate because of the possibility that proposed legislative remedies which may be appropriate to the discrimination problem may, in the confusion of the issues, be extended also to the existing U.S. anti-boycott legislation.

The Department's view is that such action would adversely affect U.S. economic interests without in any way redressing the causes of the boycott problem, for reasons which I shall outline.

#### WORLDWIDE APPLICATION OF BOYCOTT

The boycott has worldwide application. It is not directed only at U.S. interests. It is directed essentially at firms undertaking activities which the Arabs consider as contributing to the consolidation of Israel's economic and defense capabilities.

The boycott does not generally apply to companies engaged in regular civilian trade with Israel. This is illustrated by the type of questions contained in Arab questionnaires sent to firms asking them to certify to their relations with Israel.

Certain Arab States also have boycott related import regulations or otherwise require pro forma boycott certifications on purchase orders,

letters of credit, and other commercial documents issued for individual transactions.

In short, the boycott appears intended to deny the State of Israel certain economic benefits, but not to constitute an attempt to prevent routine exports of products and services to Israel, or to deny trade opportunities to exporters on religious or ethnic grounds.

We would not contend that there have not been instances of attempted religious or ethnic discrimination under cover of the boycott rules. It has been the Department's overall experience, however, that for the most part, the boycott has been applied solely as an economic weapon against Israel.

#### EFFECTIVENESS OF BOYCOTT

How effective has it been? The consensus appears to be "not very effective." Until recently it has apparently been more of a nuisance than any real impairment of Israel's access to needed investment, technology, and trade goods.

The Department is aware, however, of the increased concern being generated over the boycott by the new economic realities in the Arab States, and of legislative proposals to prohibit U.S. firms from responding to boycott requests.

The Department of Commerce believes that any such legislation would be ill advised. In this connection, it might be useful to sketch briefly the history of the antiboycott legislation.

#### EXPORT CONTROL ACT OF 1949 AS AMENDED

When the Export Control Act of 1949 was extended by Congress on June 30, 1965, it was amended to include a statement that the policy of the United States is:

(a) To oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States;

(b) To encourage and request U.S. domestic concerns engaged in export to refuse to take any action or sign any agreement that would further such practices.

Prior to the adoption of the 1965 amendment, there was consideration in the House of a bill that would have prohibited U.S. exporters from responding to questionnaires issued by the League of Arab States.

The Department of Commerce opposed such an amendment to the Export Control Act at that time essentially for the following reasons:

(a) Its effectiveness as a device to force boycotting countries to terminate the boycott was negligible.

(b) Data required by the Arabs to administer the boycott, if not obtained from exporters, via questionnaires, could be collected from other sources. To the extent that the information was unreliable, businessmen might be blacklisted erroneously.

(c) Many companies that, for reasons of their own, decided to trade with the Arab countries, would be adversely affected because their legal inability to respond to the questionnaire would lead to their blacklisting.



(d) Firms are boycotted only when their relationships with Israel are within certain specifications. Firms not so involved would be adversely affected by a law prohibiting responses to questionnaires.

(e) A businessman should be free to make a choice between two countries when certain commercial relations with one may result in retaliation by the other. He is the best judge of the requirements of his business. Under a legal prohibition, he would lose this discretion. It should be noted in this connection that the necessity for such a choice affects only a relatively few firms, that is, those having or considering certain specified types of business relationships with Israel. Firms simply exporting to Israel or the Arab States, or to both, are not confronted with such a decision.

The Congress found these arguments persuasive, and in its final form, the amendment encouraged and requested firms to refuse to take any action, including the furnishing of information or the signing of agreements, that would have the effect of furthering or supporting restrictive trade practices or boycotts fostered or imposed by any foreign country against another country friendly to the United States. It did not, however, prohibit taking such action or supplying such information.

This amendment was endorsed by the Congress in 1969 after some discussion by being incorporated without change in the Export Administration Act of 1969. It was endorsed again in 1972, and in 1974, when the act was extended.

#### RIGHTS OF U.S. FIRMS

The reasons for the position taken in 1965 and subsequently by the Department of Commerce were sound at that time, and are sound today. The Department believes that American firms should not be restricted in their freedom to make economic decisions based on their own business interests, where no element of ethnic or religious discrimination in violation of U.S. law is involved.

This is particularly important in the current economic climate, when exports to the Near East may be significant to a company's financial position and employment, as well as to our overall national economy and balance of payments.

International competition for the Arab markets is intense, and we know of no other country which has enacted or intends to enact anti-boycott legislation.

#### ANTIBOYCOTT LEGISLATION COULD HAVE ADVERSE EFFECTS

There is a strong possibility that the Arab countries, interpreting more restrictive U.S. anti-boycott legislation as an anti-Arab action, might reach with obvious countermeasures against U.S. interests and business concerns.

Mandatory U.S. legislation could thus produce serious adverse effects in the United States and would remove flexibility on the part of the U.S. administration to deal with the changing conditions in the Near East.

Such legislation would have only a very limited effect on supplies available to the countries against which such legislation would be

directed. There would thus be little pressure on the Arab States to abandon their boycott.

The Department believes that the boycott, as a manifestation of the deep-seated Arab-Israeli differences, can only be dealt with effectively as part of an overall settlement. We share with the Department of State the view that the most effective way to resolve this problem is to continue to seek a resolution of the matters which gave rise to it.

We do not endorse a policy of confrontation which could work to the detriment of U.S. interests and efforts to resolve the underlying issues. We advocate an approach which provides an appropriate balance between our policy of opposing restrictive trade practices and supporting legitimate U.S. business operations.

#### COMMERCE DEPARTMENT'S IMPLEMENTATION OF PRESENT LAW

I would like to comment on the Department's role in implementing the present law as it applies to boycotts of the type we are concerned with here.

Our regulations set forth the U.S. Government's basic policy of opposing such boycotts and require exporters to report receipt of requests for information or action that would further the boycott efforts of the requesting country.

The Department has twice conducted widespread publicity campaigns in an effort to make certain that exporters were aware of the law and their responsibility to report. The first campaign followed immediately upon enactment of the legislation and carried over into 1966. Another intensive campaign was launched in 1968, and carried over into 1969.

Presently the Department is preparing another campaign aimed at calling to the attention of the export community the policy of the Government respecting boycotts and the reporting requirements of the laws and regulations.

Given the limited investigative resources of the Office of Export Administration, which has the responsibility within the Department for administering the law, constant surveillance of exporters trading with the Arab States would be difficult.

Priority has had to be placed on investigating alleged violations of our national security export controls. Notwithstanding, any allegation that a firm is not complying with the reporting provisions of the export regulations is promptly investigated.

Upon learning of the recent press release of the Anti-Defamation League of B'nai B'rith naming shipping companies and banks who were alleged to be in violation of our regulations, for example, the Department's investigators in New York were immediately instructed to obtain copies of the relevant documents, and to conduct a thorough investigation. This is currently underway, as is outlined in our Commerce press release of March 6, 1975.

#### RESPONSIBILITIES OF THE MARITIME ADMINISTRATION

As a final point, the Maritime Administration, an agency within the Department of Commerce, has reviewed questions raised with respect to the boycott. The Maritime Administration, however, does not

have the statutory responsibility for regulating the commercial practices of U.S.-flag ocean carriers under the Shipping Act of 1916, particularly those practices pertaining to unlawful discrimination against persons, localities or cargo. Rather, this responsibility is vested in the Federal Maritime Commission, an independent regulatory agency.

The Maritime Administration, on the other hand, does have primary responsibility for fostering and promoting the construction and operation of the privately owned U.S.-flag merchant fleet.

The basic methods utilized to achieve this responsibility are the various assistance programs available to the maritime industry, including direct construction and operating-differential subsidies, under the Merchant Marine Act of 1936.

The Maritime Administration, as part of its responsibility to promote the U.S. maritime industry, has an obligation to inform American-flag shipping companies of appropriate laws and regulations that may affect their business.

This agency is developing a bulletin which will be directed to the entire U.S.-flag ocean-going fleet, both subsidized and unsubsidized, reapprising them of their obligation under the Export Administration regulations to report restrictive trade practices or boycotts to exporters.

#### SUMMARY

In summary, Mr. Chairman, the Department of Commerce, for the reasons set forth in this statement, urges that there be no change in the antiboycott provisions of the Export Administration Act.

We shall administer the law and our regulations effectively and thus keep before the affected elements of the U.S. business community, the Government's policy of opposing such boycotts.

This position is in the mutual self-interest of this Nation, the Arabs and the Israelis. We must work constructively to build a stable and lasting peace in that area. We believe that avoiding confrontation in this sensitive part of the world at this time would be in the best interest, not only of those nations directly involved, but the world at large.

This, Mr. Chairman, concludes my statement.

[Mr. Hostler's prepared statement follows:]

#### PREPARED STATEMENT OF CHARLES W. HOSTLER

##### INTRODUCTION: TWO SEPARATE ISSUES (1) DISCRIMINATION, (2) ARAB BOYCOTT

Mr. Chairman, I welcome this opportunity to present Department of Commerce views concerning the issue of discrimination on religious or ethnic grounds and the Arab economic boycott of Israel.

The Department of Commerce subscribes totally to President Ford's statement of February 26 on this subject. We view the problem as involving two separate issues: (1) On the one hand, we are faced with allegations of Arab pressures on certain U.S. institutions to undertake actions which discriminate against American citizens or firms on the basis of race or religion. (2) On the other hand, there is a long-standing system of economic sanctions applied by Arab League countries against certain types of business relationships undertaken by U.S. firms with Israel. As different issues, they need different remedies and approaches.

##### DISCRIMINATION

There is no question that the Department of Commerce finds unacceptable any pressures on U.S. private institutions to discriminate against U.S. citizens or firms in their investment or employment policies. As Secretary Dent wrote to Senators Javits and Williams on March 7, "I fully share your indignation at

attempts by any groups, foreign or domestic, to discriminate against American institutions on religious or ethnic grounds." As you know, the President has directed several Departments, including the Department of Commerce, to investigate allegations of ethnic discrimination in activities carried out pursuant to laws and programs under their jurisdiction. It would be inappropriate for me to comment further until these investigations of discrimination against U.S. citizens and firms have been completed.

At the same time, and also at the President's request, we are investigating whether there have been any instances of pressure or submission to pressure for such discrimination within the Commerce Department. Although this investigation is not yet complete, I am pleased to report that no instances of such discrimination within the Department have yet been found.

On the contrary, at least one Department of Commerce representative recently traveled to an Arab OPEC nation after openly acknowledging he was Jewish.

#### ARAB BOYCOTT

The Arab Boycott of Israel poses a different problem. This government's opposition to the Boycott, in accordance with Congressional policy, is a matter of record. I would endorse the comment of Deputy Assistant Secretary of State Harold H. Saunders in his February 26 appearance before Senator Church's Subcommittee, to the effect that the question is not whether we oppose the Boycott but how we can most effectively work to change the situation which gives rise to it. It in no way detracts from our policy of opposition to recognize that in trying to deal with this issue we are concerned with conditions imposed by independent nations on their own external economic relations, which impact on U.S. economic interests. Moreover, however negative our reaction to them, they reflect convictions deeply held by the Arab countries.

It is unfortunate that in the current dialogue, the terms "discrimination" and "boycott" are becoming virtually interchangeable. I say unfortunate because of the possibility that proposed legislative remedies which may be appropriate to the discrimination problem may, in the confusion of the issues, be extended also to the existing U.S. anti-boycott legislation. The Department's view is that such action would adversely affect U.S. economic interests without in any way redressing the causes of the boycott problem, for reasons which I shall outline.

As you know, the Boycott has its origins in the long-standing Arab-Israeli dispute resulting from the creation of the State of Israel in 1948. Although the Arab states generally act in concert where actions against specific foreign firms are concerned, various countries throughout the history of the Boycott have made exceptions to it on a case-by-case basis when apparently it was deemed in their national interest to do so. The Boycott has worldwide application; it is not directed only at U.S. interests.

The Boycott operates both as a primary boycott (aimed at preventing direct economic relations between the Arab States and Israel) and as a secondary boycott (by seeking to influence companies in third countries not to establish certain types of relationships with Israel). It is directed essentially at firms undertaking activities which the Arabs consider as contributing to the consolidation of Israel's economic and defense capabilities.

The Boycott generally does not apply to companies engaged in regular civilian trade with Israel. This is illustrated by the type of questions contained in Arab questionnaires sent to firms asking them to certify to their relations with Israel. The questions include the following:

1. Do you have main or branch factories, assembly plants, or joint ventures in Israel?
2. Do you hold shares in Israeli companies?
3. Do you provide technical assistance or consultative services to Israel?
4. Do you maintain general agencies or main offices in Israel for Middle East operations?
5. Do you license technology to Israel?
6. Are you prospecting for natural resources in Israel?
7. Are you acting as the principal importer or agency for Israeli goods?

Certain Arab states also have boycott related import regulations or otherwise require pro-forma boycott certifications on purchase orders, letters of credit, and other commercial documents issued for individual transactions.

In short, the Boycott appears intended to deny the State of Israel certain economic benefits, but not to constitute an attempt to prevent routine exports of

products and services to Israel or to deny trade opportunities to exporters on religious or ethnic grounds. We would not contend that there have not been instances of attempted religious or ethnic discrimination under cover of the Boycott rules. It has been the Department's overall experience, however, that for the most part, the boycott has been applied solely as an economic weapon against Israel.

How effective has it been? The consensus appears to be "Not very effective." Until recently it has apparently been more of a nuisance than any real impairment of Israel's access to needed investment, technology, and trade goods. As to the affected U.S. firms, many—perhaps most—of those which have been boycotted have suffered an actual or potential loss of sales to Arab countries. On the other hand, it is difficult to assess how many of these firms have had any interest in, or potential for dealing with, Arab countries. The effect on total U.S. exports to the Arab countries cannot be estimated, since it would be virtually impossible to determine the extent to which sales have been lost by boycotted firms and to what degree these sales may have been recouped by other U.S. firms or lost to foreign competitors. In view of the steadily increasing U.S. exports to the Arab countries and Israel over the years, and particularly the dramatic increases of the past two years, the Boycott would not appear to have significantly hampered the overall ability of U.S. firms to do business with either Israel or the Arab countries.

The Department is aware, however, of the increased concern being generated over the Boycott by the new economic realities in the Arab states, and of legislative proposals to prohibit U.S. firms from responding to boycott requests. The Department of Commerce believes that any such legislation would be ill-advised. In this connection, it might be useful to sketch briefly the history of the anti-boycott legislation.

When the Export Control Act of 1949 was extended by Congress on June 30, 1965, it was amended to include a statement that the policy of the United States is: (a) to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States and (b) to encourage and request U.S. domestic concerns engaged in export to refuse to take any action or sign any agreement that would further such practices.

Prior to the adoption of the 1965 amendment there was consideration in the House of a bill that would have prohibited U.S. exporters from responding to questionnaires issued by the League of Arab States. The Department of Commerce opposed such an amendment to the Export Control Act at that time, essentially for the following reasons:

- (a) Its effectiveness as a device to force boycotting countries to terminate the Boycott was negligible;
- (b) Data required by the Arabs to administer the Boycott, if not obtained from exporters, via questionnaires, could be collected from other sources. To the extent that the information was unreliable, businessmen might be blacklisted erroneously;
- (c) Many companies that, for reasons of their own, decided to trade with the Arab countries would be adversely affected because their legal inability to respond to the questionnaire would lead to their blacklisting;
- (d) Firms are boycotted only when their relationships with Israel are within certain specifications; firms not so involved would be adversely affected by a law prohibiting responses to questionnaires;
- (e) A businessman should be free to make a choice between two countries when certain commercial relations with one may result in retaliation by the other. He is the best judge of the requirements of his business. Under a legal prohibition, he would lose this discretion.

The Congress found these arguments persuasive and in its final form, the amendment "encouraged" and "requested" firms to refuse to take any action, including the furnishing of information or the signing of agreements, that would have the effect of furthering or supporting restrictive trade practices or boycotts fostered or imposed by any foreign country against another country friendly to the United States. It did not, however, prohibit taking such action or supplying such information.

This amendment was endorsed by the Congress in 1969 after some discussion by being incorporated without change in the Export Administration Act of 1969. It was endorsed again in 1972 and 1974 when the Act was extended.

The reasons for the position taken in 1965 and subsequently by the Department of Commerce were sound at that time and are sound today. The Department



believes that American firms should not be restricted in their freedom to make economic decisions based on their own business interests, where no element of ethnic or religious discrimination in violation of U.S. law is involved. This is particularly important in the current economic climate, when exports to the Near East may be significant to a company's financial position and employment, as well as to our overall national economy and balance of payments. International competition for the Arab markets is intense, and we know of no other country which has enacted or intends to enact anti-boycott legislation. There is a strong possibility that the Arab countries, interpreting more restrictive U.S. anti-boycott legislation as an anti-Arab action, might react with obvious counter-measures against U.S. interests and business concerns. Mandatory U.S. legislation could thus produce serious adverse effects in the U.S. and would remove flexibility on the part of the U.S. Administration to deal with the changing conditions in the Near East. Such legislation would have only a very limited effect on supplies available to the countries against which such legislation would be directed. There would thus be little pressure on the Arab states to abandon their Boycott.

The Department believes that the Boycott, as a manifestation of the deep-seated Arab-Israeli differences, can only be effectively dealt with as part of an overall settlement. We share with the Department of State the view that the most effective way to resolve this problem is to continue to seek a resolution of the matters which gave rise to it. We do not endorse a policy of confrontation which could work to the detriment of U.S. interests and efforts to resolve the underlying issues. We advocate an approach which provides an appropriate balance between our policy of opposing restrictive trade practices and supporting legitimate U.S. business operations.

I would like to comment on the Department's role in implementing the present law as it applies to boycotts of the type we are concerned with here. Our regulations set forth the U.S. Government's basic policy of opposing such boycotts and require exporters to report receipt of requests for information or action that would further the boycott efforts of the requesting country. The Department has twice conducted widespread publicity campaigns in an effort to make certain that exporters were aware of the law and their responsibility to report. The first campaign followed immediately upon enactment of the legislation and carried over into 1966. Another intensive campaign was launched in 1968 and carried over into 1969.

In 1968 and 1969, the Department also made a spot check of a number of New York firms known to be trading with the Arab countries but which had filed no reports. Many had received no boycott requests. Others, because of ignorance or misunderstanding, were not complying with the reporting requirement. However, those firms which should have reported, but had not, immediately complied.

Currently, the Department is preparing another campaign aimed at calling to the attention of the export community the policy of the government respecting boycotts and the reporting requirements of the laws and regulations.

Given the limited investigative resources of the Office of Export Administration, which has the responsibility within the Department for administering the law, constant surveillance of exporters trading with the Arab states would be difficult. Priority has had to be placed on investigating alleged violations of our national security export controls. Notwithstanding, any allegation that a firm is not complying with the reporting provisions of the export regulations is promptly investigated. Upon learning of the recent press release of the Anti-Defamation League of B'nai B'rith naming shipping companies and banks who were alleged to be in violation of our regulations, for example, the Department's investigators in New York were immediately instructed to obtain copies of the relevant documents, and to conduct a thorough investigation. This is currently underway, as is outlined in our Commerce press release of March 6, 1975.

#### MARITIME ADMINISTRATION

As a final point, the Maritime Administration, an agency within the Department of Commerce, has reviewed questions raised with respect to the Boycott. The Maritime Administration, however, does not have the statutory responsibility for regulating the commercial practices of United States-flag ocean carriers under the Shipping Act of 1916, especially those practices pertaining to unlawful discrimination against persons, localities or cargo. Rather, this responsibility is vested in the Federal Maritime Commission, an independent regulatory agency.

The Maritime Administration on the other hand does have primary responsibility for fostering and promoting the construction and operation of the privately-

owned United States-flag merchant fleet. The basic methods utilized to achieve this responsibility are the various assistance programs available to the Maritime industry, including direct construction and operating-differential subsidies, under the Merchant Marine Act of 1936.

The Maritime Administration, as part of its responsibility to promote the U.S. Maritime Industry, has an obligation to inform American-flag shipping companies of appropriate laws and regulations that may affect their business. This Agency is developing a Bulletin which will be directed to the entire United States-flag oceangoing fleet, both subsidized and unsubsidized, reapprising them of their obligation under the Export Administration regulations to report restrictive trade practices or boycotts to exporters.

#### SUMMARY

In summary, Mr. Chairman, the Department of Commerce, for the reasons set forth, urges that there be no change in the "antiboycott" provisions of the Export Administration Act. We shall administer the law and our regulations effectively and thus keep before the affected elements of the U.S. business community, the Government's policy of opposing such boycotts.

This position is in the mutual self-interest of this Nation, the Arabs and the Israelis. We must work constructively to build a stable and lasting peace in that area. We believe that avoiding confrontation in this sensitive part of the world at this time would be in the best interest, not only of those nations directly involved, but the world at large.

This, Mr. Chairman, concludes my prepared remarks.

Mr. BINGHAM. Thank you, Mr. Hostler.

Our final witness is Mr. Antonin Scalia, Assistant Attorney General for the Office of General Counsel, Department of Justice.

### STATEMENT OF ANTONIN SCALIA, ASSISTANT ATTORNEY GENERAL FOR THE OFFICE OF LEGAL COUNSEL, DEPARTMENT OF JUSTICE

Born : March 11, 1936, Trenton, N.J.

Address : McLean, Va.

Marital status : Married (Maureen McCarthy) ; eight children.

#### *Education*

College : Georgetown University, Washington, D.C., and University of Fribourg, Switzerland, A.B. summa cum laude, 1957.

Law School : Harvard Law School, Cambridge, Mass., LL.B. magna cum laude, 1960. Note Editor, Harvard Law Review.

Post Law School : Sheldon Fellow, Harvard University, 1960-61.

#### *Work Experience*

August 1974 to present : Assistant Attorney General, Office of Legal Counsel, Department of Justice.

September 1972 to August 1974 : Chairman, Administrative Conference of the United States.

March 1971 to September 1972 : General Counsel, Office of Telecommunications Policy, Executive Office of the President.

1967 to 1974 : Professor of Law, University of Virginia Law School. (On leave 1971-1974).

1961 to 1967 : Private practice of law with Jones, Day, Cockley and Reavis, Cleveland, Ohio.

Consultant to : Administrative Conference of the United States, Committee on Personnel (1971). U.S. Civil Service Commission, Office of Hearing Examiners (1970). Virginia Court Systems Study Commission (1969-70). U.S. Land Law Revision Commission (1968).

#### *Publications*

Sovereign Immunity and Nonstatutory Review of Federal Administrative Action, 68 Michigan Law Review 867 (1970).

Appellate Justice : A Crisis in Virginia? 57 Virginia Law Review 3 (1971).

The Hearing Examiners Loan Program, 1971 Duke Law Journal 319 (1971).

Don't Go Near the Water (A proposal concerning the FCC's Fairness Doctrine) 25 Federal Communications Bar Journal 111 (1972).

Procedural Aspects of the Consumer Product Safety Act, 20 UCLA Law Review 899 (1973).

*Member*

Virginia State Bar.  
American Bar Association.  
Federal Bar Association.  
Council, ABA Section on Administrative Law.  
Board of Directors, National Institute for Consumer Justice (1972-73).  
Board of Directors, Center for Administrative Justice (funded by the ABA, and established by the ABA Section on Administrative Law) (1972-74).

Mr. SCALIA. Thank you, Mr. Chairman.

My role in this joint presentation before you today is to describe the application to the Arab boycott of those categories of laws for which the Department of Justice has enforcement responsibility.

I may note at the outset that I will be unable, either in my testimony or in responding to your questions, to provide the Department of Justice's views as to whether a specific incident which has been reported in the press, or which has otherwise come to your attention, constitutes a violation of law. All such incidents within the jurisdiction of the Department are currently under active investigation, and it would be inappropriate for me to comment upon them. Moreover, as you will conclude from the later portions of my testimony, the lawfulness or the unlawfulness of a certain act will often depend so much upon particularized circumstances that it would be misleading to attempt a conclusion until a full investigation and assessment of circumstances has been completed.

#### CIVIL RIGHTS LAWS

I would first like to discuss the application of what are generically termed the "Civil Rights Laws." Most of these laws are not the enforcement responsibility of the Department of Justice, but some of them are. Some others of them used to be, and the Department, in general, has wide experience in the field.

For purposes of this discussion, it will be useful to divide the problem into three categories: discrimination in employment, discrimination in the selection of suppliers and contractors, and discrimination by private firms in the treatment of customers.

#### DISCRIMINATION IN EMPLOYMENT

The Federal Government is, of course, prohibited from discriminating in employment on the basis of race or religion by the Constitution itself.

In furtherance of this constitutional principle, Executive Order 11478 explicitly prohibits discrimination in the employment practices of Federal agencies and charges the Civil Service Commission with responsibility for enforcement of the prohibition.

In 1972, discrimination in employment practices of Federal agencies was made unlawful by statute through the addition of section 717 to title VII of the Civil Rights Act of 1964. Enforcement of section 717 rests with each agency, with respect to its own employees, with oversight responsibility in the Civil Service Commission.

It should be noted that both Executive Order 11478 and section 717 of title VII specify that they are not applicable to "aliens employed

outside the limits of the United States." The implication of this is that they do apply to U.S. citizens employed throughout the world.

With respect to discrimination in employment by private companies and individuals, title VII of the 1964 Civil Rights Act, as amended, prohibits a broad range of "unlawful employment practices" by any private employer "engaged in an industry affecting commerce who has 15 more employees."

The prohibited practices include refusal to hire an individual, or any discrimination regarding the terms or conditions of his employment, on the basis of race, color, religion, sex, or national origin.

Once again this statute contains an exemption "with respect to the employment of aliens outside any State," which implies that it is applicable to the employment of U.S. citizens by covered employers anywhere in the world.

Prior to the 1972 amendments, the Department of Justice had civil enforcement responsibility with respect to this legislation, but it is now lodged with the Equal Employment Opportunity Commission.

With respect to title VII's restrictions on employment practices of private individuals, one provision deserves special mention within the present context: Section 703(e) provides in part, that discrimination in hiring or employment "on the basis of \* \* \* religion, sex, or national origin" (note that color and race are significantly omitted) shall not be unlawful in circumstances where such factors, that is the factor of religion, sex, or national origin, "is a bona fide occupational qualification reasonably necessary to the normal operation of [the] particular business or enterprise."

There is no Federal case law on the point whether this provision would, for example, justify the refusal to hire a Jewish applicant for a job to be performed in a country which does not issue visas to Jews. A New York State trial court found that a comparable exemption under that State's antidiscrimination legislation would not justify such a refusal.<sup>1</sup>

In addition to title VII, there are special restrictions upon discrimination in the employment practices of persons who hold contracts with the Federal Government and who perform federally assisted construction. Executive Order 11246 forbids such employers, regardless of the number of employees whom they hire—in that respect it goes further than title VII, which is limited to employers with 15 or more employees—to discriminate on the basis of race, color, religion, sex or national origin.

Responsibility for securing compliance with the Executive order belongs to the various contracting agencies, subject to the overall authority of the Secretary of Labor. Sanctions include the bringing of law suits by the Department of Justice, upon referral by the agency, to enforce the nondiscrimination requirements. It should be noted that the order permits the Secretary of Labor to exempt classes of contracts which involve "work \* \* \* to be \* \* \* performed outside the United States and no recruitment of workers within the limits of the United States." The clear implication is that contracts to be performed abroad are covered.

<sup>1</sup> See *American Jewish Congress v. Carter*, 19 Misc. 2d 205, 190 N.Y.S. 2d 218 (Sup. Ct. 1959) modified, 10 App. Div. 2d 833, 199 N.Y.S. 2d 157 (1960), *aff'd*, 9 N.Y. 2d 223, 213 N.Y.S. 2d 60, 173 N.E. 2d 788 (1961).

While title VII and Executive Order 11246 contain the principal Federal restrictions upon discrimination in private employment, some agencies have issued regulations, based upon their particular statutes, concerning employment practices of federally regulated or assisted entities. See, for example, the regulations of the Federal Communications Commission relating to common carriers (47 CFR, Sec. 21.307).

#### DISCRIMINATION IN SELECTION OF CONTRACTORS

Next I would like to discuss discrimination in the selection of contractors. Title VII and the Executive order I have discussed above relate to "employment." That term does not cover the selection of suppliers or subcontractors. Nor is there any other generally applicable Federal statute or Executive order prohibiting discrimination on such grounds as race or religion in the selection of suppliers or contractors.

With respect to the procurement practices of Federal agencies, the Constitution would presumably prohibit any discrimination, even as between contractors, on the basis of race or religion.

However, with respect to the contracting practices of private firms, in selecting suppliers of goods or services, it appears that the Federal civil rights laws impose no constraints.

#### DISCRIMINATION IN THE TREATMENT OF CUSTOMERS

Finally, discrimination in the treatment of customers, there are no generally applicable Federal civil rights laws which prohibit discriminatory refusal to deal with a particular customer.

The closest approach to a broad Federal prohibition is title VI of the 1964 Civil Rights Act, which prohibits the recipients of Federal grants from discriminating against the intended beneficiaries of Federal programs on the ground of race, color or national origin—for example, such discrimination by private hospitals which receive Federal money.

Some civil rights statutes do impose restrictions, unconnected with the receipt of Federal money, upon particular areas of commerce—for example, title II of the 1964 Civil Rights Act, relating to public accommodations, and title VIII of the 1968 Civil Rights Act, relating to housing. There are, however, numerous State laws which impose more general restrictions.

#### FEDERAL ANTITRUST LAWS

I next turn to consideration of the second principal area of law, which is the Justice Department's responsibility, the antitrust laws.

The only Federal antitrust statute which has significant application to the problem we are discussing is the Sherman Act, which makes illegal "every contract, combination \* \* \* or conspiracy in restraint of trade or commerce among the several States, or with foreign nations." This legislation is enforced by the Antitrust Division of the Department of Justice through suit in the courts to impose both civil and criminal sanctions. In addition, any person injured as a result of violation of the act may bring a law suit seeking treble damages.



## THE SHERMAN ACT

The Sherman Act represents what might accurately be called a "common law" of antitrust. That is to say, the generalized prohibition set forth in the language I just quoted, has been given content by judicial reference to common law antitrust principles, which existed before the act was passed in 1890, and by judicial elaboration and refinement of new principles under the rubric of the statutory language.

"Restraint of trade" has been read to mean "unreasonable restraint of trade," and unreasonableness has been determined by economic and legal principles enunciated by the courts.

The primary boycott in the present case—the boycott of Israel by the Arab countries—is not a matter which directly affects U.S. commerce or is cognizable under our antitrust laws.

It is the secondary boycott we are here concerned with, that is, the boycott by the Arab countries of U.S. businesses which provide certain economic advantages to Israel.

## "CORE BOYCOTT"

Let me discuss first what I might call the "core boycott"—that is, the agreement among the Arab nations and, let us assume, independent Arab businesses to boycott certain U.S. companies.

An agreement between commercial firms doing business in the United States to boycott another firm in this country would constitute a traditional form of restraint of trade, and ordinarily would fall within the category of acts illegal per se under the Sherman Act.

There are, however, some special features about the present case. First, and perhaps most important, is the fact that the ultimate purpose of the boycott is not to injure any U.S. firm, nor is it even a commercial purpose in the usual sense.

The boycott is ultimately a political rather than a commercial phenomenon.

Second, there is a question of whether a boycott of this sort, which in effect requires an American company to choose whether it wishes to have certain types of business relations with Israel, or to have dealings with the Arab countries, has a sufficient impact upon U.S. foreign commerce to come within the Sherman Act. The act only proscribes activity which has a material adverse effect upon our foreign commerce.

There are some distinctive legal considerations raised by the governmental character and the nationality of the boycotting parties.

## INTERNATIONAL LAW WITH RESPECT TO BOYCOTTS

In general, as a matter of international law, a sovereign state cannot be made a defendant in the courts of another sovereign. This doctrine only applies with respect to the "public or political" acts of a state, and not with respect to its "private or commercial" acts, but there is at least some question as to which category the present boycott occupies.

Another principle of international law is the so-called "act of state doctrine" which holds that our courts will not examine the validity of acts of another foreign sovereign performed within its own territory.

This would pose considerable difficulty with respect to boycott agreements and activities undertaken by the Arab States within their own territory.

Finally, another doctrine of international comity provides that a defendant should not ordinarily be subject to sanction in one jurisdiction for acts performed in another jurisdiction under pain of sanction by the latter jurisdiction.

Application of this principle could exclude from liability even non-governmental Arab entities which participate in the boycott outside this country by direction of their own governments.

None of the above-described distinguishing considerations makes it theoretically impossible to apply the Sherman Act to the "core boycott" in the present case.

Cumulatively, however, they do raise substantial doubts that the courts would interpret the flexible statute to require such application, at least absent evidence of major economic impact upon U.S. exports. It has, at least, never been held that a foreign, politically motivated boycott of this sort violates the Act.

#### INDIRECT CONSEQUENCES OF THE "CORE BOYCOTT"

Let me, now, turn from the "core boycott," that is, the agreement among the Arab governments and companies themselves, to other agreements in this country which may accompany or flow from the "core boycott."

An agreement between an American company and an Arab company that the latter will give the former its business in exchange for a commitment by the former not to trade with Israel, would be much more likely to constitute a Sherman Act violation. This is to be distinguished from the situation in which the American company unilaterally refrains from trading with Israel in order to obtain Arab business, but without agreeing not to trade.

Even more suspect, and almost a certain offense, would be an agreement by the American company not only to refrain from doing business with Israel, but to refrain from doing business with certain American companies as well.

Such indirect consequences of the "core boycott" are currently under active investigation by the Antitrust Division. Of course, in order to find a violation of the Sherman Act, a "contract, combination, or conspiracy" as opposed to merely individual action must be established.

Where there is an agreement, however, it will not necessarily suffice as a defense that the agreement was entered into by a company under duress in order to avoid becoming an object of the boycott. The answer to these issues which extend beyond the core boycott must be considered on a case-by-case basis.

I would like to conclude, Mr. Chairman, by noting that the Justice Department has always been in the vanguard of the struggle against both of the evils we are seeking to avoid in connection with the present boycott: racial or religious discrimination, and anticompetitive behavior exerting a material adverse effect upon U.S. commerce.

The President has asked us to redouble our efforts, in the present situation, and I assure you we are promptly and enthusiastically complying.

Thank you.

Mr. BINGHAM. Thank you, Mr. Scalia for a very comprehensive statement.

I would like to start by asking you a couple of specific questions. You have described the antitrust implications of the boycott. Have there been any antitrust prosecutions brought by the Department, based on some form of discrimination arising out of the Arab boycott?

Mr. SCALIA. No, sir. There have not been.

#### PROBLEM WITH COUNTRIES NOT ISSUING VISAS TO JEWS

Mr. BINGHAM. Another specific question. Where you refer to the lack of a Federal case on the point of whether the exceptional provision would justify the refusal of a job to a country which does not issue visas to Jews.

You said that the New York trial court had held that such an exemption would not justify it. What is the position of the Department of Justice on that issue?

Mr. SCALIA. The particular law at issue is not our enforcement responsibility, so we have not developed a position on the issue.

It is a very difficult question, and it may well be that the answer would turn on what would seem, to someone who is not a lawyer, as the absurd distinction between whether the man is rejected on the basis that he is Jewish, and therefore cannot get a visa, or whether he is rejected on the basis that he does not have a visa, which has been denied to him because he is Jewish. It has been suggested by some that this, indeed, might be the crucial distinction. But it is a very difficult question for any firm hiring for employment in those countries.

#### TITLE VII OF THE CIVIL RIGHTS ACT OF 1964

Mr. BINGHAM. Another specific question. Under the restrictions on discrimination in the employment practices of persons who hold contracts with the Federal Government, and perform federally assisted construction. The prohibition against discrimination there seems to be similar to that contained in title VII.

Does that provide the same exception that you noted with regard to section VII about the bona fide occupation?

Mr. SCALIA. No. It is only in title VII. I am sure that the order does not, Mr. Chairman. I am not sure that the regulations issued pursuant to the order do not, although I believe they do not.

Mr. BINGHAM. Would you let us have that for the record please, because if that exception is not in that area, then, in any case where the company was holding a contract with the Federal Government, it would clearly be discriminatory if they were not to hire, let us say Jews, to work in some of the Arab countries.<sup>1</sup>

Mr. SCALIA. Yes, sir, if the discrimination was on the basis of race or religion. Even, however, if the bona fide occupational requirement did not exist, the employer, I presume, would still come forward with the argument: "I did not discriminate against this man on the basis

<sup>1</sup> Mr. Scalia's written response to Mr. Bingham's question is on p. 222.

of race. I did discriminate against him because he does not have a visa, or he cannot obtain a visa. It has nothing to do with his race. I don't care if they do not give visas to Anglo-Saxons, or any race. It is not the race that concerns me, it is the fact that the man cannot get a visa." I don't know whether this has ever been argued in the courts, or whether it would be a sufficient defense to demonstrate that there was no discrimination on the basis of race. I suspect that it would not; and under Federal agency regulations I am sure that it would not. The Federal agencies have provided that exceptions to anti-discriminatory requirements should be applied very strictly, and not broadly.

Mr. BINGHAM. I understood you to say that Federal agencies were required in their hiring practices, in employment practices, which would include, I presume, assignments to a particular country, not to discriminate.

Mr. SCALIA. Yes, sir.

#### EFFECT OF EXPORT ADMINISTRATION ACT OF 1969 <sup>1</sup>

Mr. BINGHAM. Now, if I may turn to the other three witnesses, I would like to ask you all this question. Do you believe that the 1965 law, and the subsequent amendments to it had any effect whatsoever in reducing the effectiveness of the Arab boycott?

Mr. PARSKY. Mr. Chairman, I believe that the 1965 law has been complied with by the U.S. Government, certainly by the Treasury Department, and all of the departments that I am aware of.

I believe that there has been some effect in terms of the boycott. As I indicated in my testimony, I believe that the boycott grew out of the Arab-Israeli conflict, and that the Arab countries view it as part of that conflict. I feel that you have to distinguish between the policy as enunciated, and how that policy is carried out in practice. However, I think that, certainly, the way in which the U.S. Government has pursued its opposition directly with the Arab countries, has resulted in a tempering of the boycott.

Mr. BINGHAM. Let me be more specific. I am thinking really in terms of the behavior of the American companies. The law provides that it is the policy of the United States to oppose the boycott.

It also says that American companies ought to be encouraged not to cooperate. Have those provisions had any effect on American businesses?

Mr. PARSKY. I would like to let the Commerce Department supplement whatever I have to say.

I believe that the carrying out of that policy by our Government has tempered the way in which, if at all, our businesses comply.

Mr. WHALEN. Mr. Chairman, would you yield?

#### U.S. EXPORTERS' REPORTS RECEIVED BY DEPARTMENT OF COMMERCE

This is sort of a follow-up question, which I would like to ask Mr. Hostler. Precisely how many of the U.S. exporters reports did your office receive in 1974? That might give us a clue as what American businesses are doing in complying with this act. If you would give us figures for the preceding year as well.

<sup>1</sup> The 1965 antiboycott amendment to the Export Control Act of 1949 is incorporated without change in the Export Administration Act of 1969 as amended. This antiboycott provision is referred to below as the "1965 law."

Mr. HOSTLER. Mr. Congressman, that question can be most appropriately dealt with by Mr. Rauer Meyer, who is director of the Office of Export Administration in the Bureau of East-West Trade.

**STATEMENT OF RAUER MEYER, DIRECTOR, OFFICE OF EXPORT ADMINISTRATION, BUREAU OF EAST-WEST TRADE, DEPARTMENT OF COMMERCE**

Mr. MEYER. Mr. Whalen, in 1974, 23 firms reported restrictive trade practices by the Arab countries against Israel, and 785 transactions were involved. In 1973, 30 firms reported restrictive trade practices by the Arab countries against Israel, and 1,152 transactions were involved.

Mr. BINGHAM. Let me pursue the more general at this time. You favor leaving the 1965 law as it is?

Mr. HOSTLER. Yes, sir.

Mr. BINGHAM. What good has that law done?

Mr. HOSTLER. Mr. Chairman, we believe that the law has deterred many U.S. firms from doing business with the Arab countries because of the need to respond to Arab requests for boycott-related information. We could cite the instance of one major U.S. firm which was boycotted because it refused to certify to its relationship with Israel, even though it had no such relationship which would have caused it to be boycotted. Many other firms have indicated at various times that they would refuse, on grounds of the law's provisions and on principle, to respond to boycott questionnaires. Unfortunately, we cannot document them, since most such expressions have been in telephone conversations initiated by firms receiving the questionnaires and calling Commerce for an explanation.

Mr. BINGHAM. Your responsibility under that act is to encourage the concerns to do just that. What have you done along those lines?

Mr. HOSTLER. Mr. Chairman, we do not condone these practices. However, we recognize that there are conditions imposed by sovereign nations on their own trade. As I stated earlier, we are faced with the problem of reaching an appropriate balance between our policy of protecting U.S. business from restrictive practices, and the objective of supporting the interests of American business and the national economy.

We could scarcely serve the U.S. economic interests by ignoring the fastest growing market in the world, considering the significance of our trade with the Arab countries, and the need for jobs for Americans.

**COMMERCE DEPARTMENT ACTIONS TO DISCOURAGE BOYCOTT COOPERATION**

Mr. BINGHAM. I don't detect in your answer any response to my question as to what specifically the Department of Commerce has done to discourage American firms from cooperating with the boycott, as required by law?

Mr. HOSTLER. Day-to-day contacts on substantive issues regarding the boycott are the responsibility of the Bureau of International Commerce, as distinct from the enforcement function of the Office of Export Administration, headed by Mr. Rauer Meyer.

Mr. MEYER. Most of the inquiries from business relate to the nature of the application of the boycott; we respond by furnishing factual



information on the boycott regulations and procedures. We inform inquirers of the U.S. policy on the boycott, and encourage them not to comply or cooperate with the boycott.

Mr. BINGHAM. Do you have some form into which that language appears? I think that it would be useful for us to have that.

Mr. HOSTLER. Fine. I have copies here for your use.

[The copy of the form follows:]

**COPY OF U.S. EXPORTER'S REPORT OF REQUEST FOR INFORMATION, CERTIFICATION, OR OTHER ACTION INDICATING A RESTRICTIVE TRADE PRACTICE OR BOYCOTT AGAINST A FOREIGN COUNTRY (PREVIOUS TO NOVEMBER 20, 1975)**

FORM DS-421  
(REV. 6-73)  
(FORMERLY 16-1014)

U.S. DEPARTMENT OF COMMERCE  
DOMESTIC AND INTERNATIONAL BUSINESS ADMINISTRATION  
BUREAU OF ECONOMIC TRADE  
OFFICE OF EXPORT CONTROL  
WASHINGTON, D.C. 20530

Form Approved,  
Budget Bureau No. 41-R2301

**U.S. EXPORTER'S REPORT  
OF REQUEST RECEIVED FOR INFORMATION, CERTIFICATION, OR OTHER ACTION INDICATING  
A RESTRICTIVE TRADE PRACTICE OR BOYCOTT AGAINST A FOREIGN COUNTRY**

**A. IMPORTANT.** It is the policy of the United States to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States. All U.S. exporters of articles, materials, supplies or information are encouraged and requested to refuse to take, but are not legally prohibited from taking, any action, including the furnishing of information or the signing of agreements, that has the effect of furthering or supporting such restrictive trade practices or boycotts.

Accordingly, I encourage and request individuals and firms receiving such requests to refuse to comply with them.

*Frederick B. Dent*  
Frederick B. Dent  
Secretary of Commerce

**B. INSTRUCTIONS:** This form must be completed by a U.S. exporter whenever he is requested to take any action, including the furnishing of information or the signing of an agreement, which is designed to support a restrictive trade practice or boycott fostered or imposed by a foreign country against any other country not included in Country Group S, W, Y, or Z. (Country Groups are listed in Supplement No. 1 to Part 370 of the U.S. Department of Commerce Export Control Regulations.) Submission of this form is mandatory (50 USC App. 2403(b)). Failure to comply subjects the U.S. exporter to the penalties prescribed in Section (6) of the Export Administration Act of 1969, as amended. It must be submitted to the U.S. Department of Commerce, Domestic and International Business Administration, Bureau of East-West Trade, Office of Export Control, Washington, D.C. 20530, within fifteen business days from the date of receipt of such a request. Whenever a person receives more than one request for action with reference to the same transaction, only the first request need be reported to the Office of Export Control (See Part 369 of the Export Control Regulations).

**C. CONFIDENTIAL.** Information furnished herewith is deemed confidential and will not be published or disclosed except as specified in Section 7(e) of the Export Administration Act of 1969 (50 USC App. 2406(e)).

1. Name and Address of U.S. Exporter submitting this report:

Name:

Address:

City, State, and Zip Code:

3. Name of Country/ies against which the request is directed:

4. Date request was received by me/us:

5. I/we received this request from:

Name:

Address:

City and Country:

2. Exporter's Reference No. (If any):

6. Specify type of request received. (If any item in 6b is checked, complete item 7)

a. ☐ Questionnaire (Attach copy)

b. ☐ Other type of request for information or action contained in:

☐ Trade Opportunity

☐ Certificate of Origin

☐ Consular Invoice

☐ Bid Specification

☐ Certificate of Manufacture

☐ Other (Specify) \_\_\_\_\_

☐ Purchase Order

☐ Letter of Credit

7. If item 6b above is checked, give the specific information or action requested. (Use direct quotations from the request.)

8. If the request relates to a specific transaction, describe the commodities or technical data involved. (The description of the commodity or technical data may conform to the description on the order or to usual commercial terminology, and may but need not be in terms of the Commodity Control List or Schedule B.)

Quantity

Description

Value

9. Additional Remarks:

10. Action: (Completion of the information in this item would be helpful to the U.S. Government but is not mandatory.)

a. ☐ I/we have not complied and will not comply with the request for information or action described above.

b. ☐ I/we have complied with, or will comply with, the request for information or action described above.

c. ☐ I/we have not decided whether I/we shall comply with the request for information or action described above and I/we will inform the Office of Export Control of my/our decision.

11. I certify that all statements and information contained in this report are true and correct to the best of my knowledge and belief.

Sign here  
in ink

Type or  
print

Date

(Signature of Person Completing Report)

(Name and Title of Person whose Signature Appears on the Line in the Left)

Mr. BINGHAM. Mr. Parsky, if I may turn to you. Your comments, as I understand them, were directed primarily in the area of proposed economic actions against countries concerned here.

#### POSSIBILITY OF STRONGER LEGISLATION

You did not direct your comments to the possibility of legislation that would give some teeth, let us say, to the 1965 law, as far as American businesses are concerned.

This committee will be very seriously considering the possibility of special legislation. I would like to have your comments?

Mr. PARSKY. Mr. Chairman, there certainly is a distinction between action that is directed frontally, if you will, against the countries involved, and action that would be taken against American firms.

I certainly appreciate the desire on the part of Congress for a stronger legislative expression of opposition to the boycott. However, I would urge that the Congress do so only within the context of the examination that we are making now of our current laws.

I think that we should recognize the potential drawbacks to any sort of legislation at this point in time, drawbacks that could seriously affect the way in which our American companies do business.

The thrust of my comments with respect to the boycott were aimed at urging that no legislative action be taken at this point, principally because I think that we are in a most delicate time in terms of our negotiations in the Middle East. We must remember that the boycott arose out of the conflict in that part of the world.

I have some concerns about a new legislative approach, and whether or not it would accomplish the kind of results that we all want.

#### UNITED STATES-ARAB GOVERNMENT ECONOMIC RELATIONS ARE A PARADOX

Mr. BINGHAM. I have one more general question, which I will address to all of you, if you would care to comment, and that is this: It strikes me as very strange that, particularly now, when the Arab governments are entering into economic negotiations with us, such as you describe, knowing that we have the most extensive and economic relationship with Israel.

In other words, they do not propose to impose any kind of a boycott against the U.S. Government, because it has economic dealings with Israel. Nevertheless, they persist in seeking to impose a boycott against American business concerns that have important economic relationships with Israel. What is your comment on that?

Mr. PARSKY. I would like to let Mr. Sober comment if you would, but I might say, to begin with, that I think your comments, Mr. Chairman, highlight the importance of maintaining those relationships.

I have discussed this issue both with leaders in the Arab countries and in Israel, and you are right regarding the implications of their severing economic relationships with the United States. As a matter of fact, they welcome those economic ties. They can see the benefits, I think, by increasing the opportunities, by increasing those benefits.

We are enhancing, really, our ability to reach an understanding on this issue by demonstrating the potential for economic loss in con-

tinuing the boycott. That is in part what I think these economic relationships can do.

Mr. BINGHAM. Mr. Sober.

Mr. SOBER. It is a fact that the Arab countries, several of them, want close economic relations with the United States, because they see it in their interest. By and large, we have reciprocated, because we also have seen it in our interest. That is why we have the several commissions that Mr. Parsky has mentioned.

We have met within the last 2 weeks with representatives of the Saudi Government and the Iranian Government here in these commissions. We had very positive and very constructive talks on things which we find in our mutual interest.

I would agree also with what Mr. Parsky said, that we see these relationships as very much in accord with our overall effort to foster a total relationship with countries in the area, which will provide a better climate in which we can relate with them in many things.

One of those things, Mr. Chairman, is the effort which is now underway at this moment with the Secretary of State in the area, doing his best, and doing what the United States can do, to help the countries in the area to find a way toward a just and durable peace. As I said in my initial statement, we feel we must provide the fundamental foundation for the resolution of this very troublesome problem which we are talking about.

#### ARAB BOYCOTT DIRECTED AGAINST ISRAEL, NOT UNITED STATES

If I may comment just another minute, Mr. Chairman.

Your question, referred to the fact that some of the Arab countries wish to boycott American companies. I would like to express the thought that this is not as we understand it, their interest in the boycott. It is not to harm American companies.

Now, we know that some American companies are being harmed, but their intent is rather clear, it is against Israel. Whether we agree with that or not, the fact is that some of the American firms are caught, but that is not the initial intent.

I think that this is a question that sometimes gets misconstrued. It might be useful to read, without defending it or supporting it, a very recent statement that was made by the commissioner general of the Arab Boycott Office, after the last meeting of the office in Cairo.

The press statement states:

The Arab boycott has no racial or religious nature, and does not discriminate between the nationalities, or religious creeds of the owners of companies. The Arab boycott is applied against companies which strengthen the Israeli economy, and develop Israel's military industries. In these cases, the Arab boycott is applied, regardless of the nationality or the religion of the owners of these companies.

I just read that for the record. It is not something that I would want to defend, but I think that it is useful to have the most recent statement.

#### EFFECTIVENESS OF EXPORT ADMINISTRATION ACT OF 1969

If I could make one more point, and I don't want to filibuster you. I would like to go back to the question of the appropriateness of the

present legislation, has it been effective and what would be the utility of something else?

Clearly, it is impossible to know what effect the present act has had. We know how many companies, perhaps, have reported that they have refused to comply, after our encouragement to them to refuse to comply, but we cannot oblige them to do so.

We will never know, I think, how many do comply. But we don't know how many have actually turned away and said: "We will not fill out the form, just go away." I don't think that we can determine that.

As to the question of what might be better, I would think that we would want to consider, and the Congress would want to consider very carefully, a number of very interesting points.

Would any new legislation actually curb the boycott? I think a very important consideration would be whether, in fact, the United States would act alone. To what degree might we have some cooperation, in the form of legislation, from all of the other, let us say, industrial exporting countries?

In other words, how much do the Arabs necessarily count on us? Would an action by us actually oblige them to give up the boycott? That is uncertain. To what extent would it affect American exports? We badly need more exports. We have been doing our best to expand American exports.

Part of the cooperative relationship that we have been discussing with certain countries in the area very much tends toward that point. I am not suggesting that American exports are the ultimate goal, and the only goal under consideration, because we have very clear viewpoints on things that should not be done.

The impact on exports has to be considered, and I would like to come to a point which I made before, Mr. Chairman, which I think is really central to this situation. How will any new legislation here be considered in the area, in terms of the total relationship which we are trying to build up with the countries of the area, which will, if you will, induce them toward more receptivity on the peacemaking effort, for example?

What will it do, on the contrary, in terms of countermeasures that they may feel obliged to take, because of some legislation here?

We ought to consider very carefully, then, in the context of the political effort which is now underway to find a way for peaceful settlement in the Near East.

Mr. BINGHAM. I don't want to trespass on my colleague's time, but let me pursue that a little further.

The Arabs know that we oppose the boycott. We have told them that many times. They know that we encourage our companies not to comply with the boycott. All we are suggesting is that we take steps to say that our companies will not comply with it, which will be across the board.

That means that those companies that follow our advice now, and refuse to comply, would no longer have to suffer alone, because others do comply. All would be prohibited from complying.

I cannot see, in the light of their knowledge of our policy, and the knowledge that we have imposed this, how they can take exception

to that. Moreover, it would seem to me that it would be far more, not only effective in terms of stopping American compliance with the Arab boycott, but far more equitable to American business, because, as I said, those who now follow our advice, but get cut down, would no longer be left out in left field some place. They would all be in the same situation.

Finally, I cannot believe that given the fact that no American company could, then, cooperate by supplying the information, and indicating a willingness to comply, that the Arabs would stop doing business with the U.S. firms, which would be the consequence if they were to impose the boycott regardless.

Mr. PARSKY. I would add the following comment, Mr. Chairman. As I have indicated, we would be glad to work with you in the development of any proposed legislation that you have.

However, I feel that at this point we need to complete our review of the laws that presently exist, and our enforcement capability. One particular danger that I think that we would face is that the Arab countries would continue to pursue the boycott, which they consider a part of the conflict, and would seek to obtain information about U.S. firms from any source that they possibly could; if not officially, then through other sources of information.

This could lead not only to erroneous information, but to a rather disruptive effect on the business community. I point that out as just a cautious reaction to the kind of legislation that you would propose.

There is no question that we must continue to oppose the boycott. I think that the economic efforts that we have established open a further avenue to pursue our opposition, but I would be very cautious at this point to seek to impose a legislative solution.

Mr. BINGHAM. Let me just say, Mr. Parsky, Mr. Sober, and Mr. Hostler, any legislation that would be introduced would be referred to your departments for comments.

Mr. Biester?

Mr. BIESTER. Thank you, Mr. Chairman.

I have other questions, and I would like to ask Mr. Scalia, to preserve a degree of coherency, if I could pick up from the line you have just been pursuing.

#### ARABS RETAIN DEGREE OF SELECTIVITY IN CONFORMING TO BOYCOTT

If the Arab boycott—if we pass restrictive legislation, or if we do not, the Arabs retain a certain degree of selectivity, do they not, of whether they will or will not deal? For example, they can violate their own boycott, if they choose to.

Now, there are certain materials and items that they buy from us that they feel have a higher degree of urgency to acquire than others.

My recollection is that at least one Arab state wants to buy fighter-bombers. The same company that makes those fighter-bombers also makes fighter-bombers for Israel. I assume that this is the case.

Therefore, if we pass this law, the company would have to fill out the questionnaire, and say: "We cannot answer your questions." The Arabs could very well say: "Well, OK, we will ignore it in this instance, because we like your fighter-bombers."



If a company were selling food, or some nonstrategic item, they could just as easily get that from France, or Australia, or Canada, or some other country.

The problem that I have, and I am trying to keep an open mind here, is that this legislation takes away all inflexibility on the part of the American economy, and leaves the Arabs with total flexibility to pick and choose the things that they would like to buy.

Under circumstances that are not very useful to Israel, they choose not to buy food, but choose to buy fighter-bombers.

Now, in terms of the boycott itself, Mr. Scalia, what is the status under recognized principles of international law? Is it a core boycott that conforms to these principles, or is it a secondary boycott that conforms to those principles?

Mr. SCALIA. I will preface my comments with the statement that I don't purport to be an expert on public international law, and the State Department ought to be consulted on the point.

It is my understanding that it is not contrary to any accepted principle of international law to refuse to do business with another country, and to do so collectively, at least in those instances where there is a formal state of hostility existing between the object of the boycott and the countries imposing it.

It is also my understanding that we, ourselves, engaged in the practice of boycott during World War II.

Mr. BIESTER. I understand the legality. Generally a boycott is based on belligerence and a secondary boycott will stretch out from there. I was wondering whether in your opinion this particular core boycott and the secondary boycott—

Mr. SCALIA. I will check it further, but I do not believe that a secondary boycott, under the circumstances described, is contrary to any established principle of international law.

#### BOYCOTT PROVISIONS IN U.S. LAW

Mr. SOBER. If I may, I would like to comment on that. This is perhaps not the best place to discuss it in detail, but I would like to recall that there is on the statute book of the United States, which perhaps has some relevance to this, the "Trading With the Enemy Act" of 1917, providing the United States with very broad authority to carry out primary and secondary boycotts.

In World War I, and in World War II, and even today, it has been the primary basis for preventing shipments, as to certain communist countries. I believe, sir, that we also have, through the Foreign Assistance Legislation and Public Law 480, certain provisions which, in effect, have the effect of permitting a secondary boycott of a type to be applied, for example, in the case of countries which shipped to North Vietnam, and provide assistance to Cuba.

I am not suggesting that there is any close analogy here. There is some legal relevance. If you would like, sir, we would be very glad to submit something for the record on this particular question that you ask.<sup>1</sup>

Mr. BIESTER. Thank you very much.

<sup>1</sup> The information provided by Mr. Sober appears on p. 224.

## U.S. GOVERNMENT RESPONSIBILITY FOR NONDISCRIMINATION

I would like to pursue now the status of the Federal Government's responsibility when it assigns persons to serve in foreign countries.

I believe you, Mr. Chairman, had asked a general question which received an affirmative answer from Mr. Scalia. I would like to nail it down so that I can be certain.

Let us take either military people, or foreign service officers, either one or both, or any employee of the U.S. Government who would be, in the regular course of activities of the Government, sent to various areas.

Would the Federal Government be violative of the Constitution, or statutory law, if we declined to send a Jewish military employee, or civilian employee of the Federal Government, to an Arab state, because the Arab state requested that no Jews be sent to it?

Mr. SCALIA. I am not sure what you mean by "declined to send." If the Arab state refuses to admit the person, there is very little that we can do about it. It is clear to me that a Federal agency cannot decide that it is not going to hire people of a certain race or religion for particular areas of activity, because those particular areas of activity are in countries which do not favor that race or religion.

However, you have a problem when the man shows up, and the country says: "We will not accept him." I am not aware of any principle that requires the U.S. Government thereupon to pack up and go home, and not to send somebody else to pursue the contract. I would say that this is not violative of law; whether you want to do it as a matter of policy or not is something else.

Mr. BIESTER. My real question is where we would stand in terms of constitutional or statutory law?

Mr. SCALIA. My answer is that, in the hiring of personnel, it is not proper for the Federal Government to select only persons of certain races, religions, colors, national origins, or sex, because certain countries will not favor it.

Mr. BIESTER. Were we to make a mental reservation in terms of assignment, or make a reservation in terms of assignments where we might come to the conclusion that it is not worthwhile to send person X to country Y, because they will not give a visa. Would that activity, even before the opportunity of the visa has been challenged, be a violation of the Constitution or statutory rights?

Mr. SCALIA. I really don't know. I really wonder whether it is necessary to go through the mechanical gesture of submitting a name that one knows will be rejected for a visa. It tends to bring the whole thing down to the level of the ridiculous. I am not really sure that the mechanical act makes the difference between whether the Government is acting properly or not.

Mr. BINGHAM. Would the gentleman yield for a moment?

Isn't there a further complication in that the rejection, or the acceptance of the visa may be subject to negotiations? You have the situation where certainly there have been Jews admitted to, and who obtain visas to Saudi Arabia.

Mr. SCALIA. I was assuming the case where it is absolutely certain that the visa is not going to be obtained.

Mr. BINGHAM. I am not sure that there is any such case. My impression is that it has not been the case.

Mr. BIESTER. I am trying to find what the current status of American law is with respect to any such activity. What other countries have legislation such as the one we currently have on the books in terms of discouraging, or urging against compliance with the Arab boycott?

Mr. SOBER. I am not acquainted with any country that has similar legislation, Mr. Biester, but I would be glad to research that further, and submit it for the record.

[The information requested follows:]

#### ANTI-BOYCOTT LAWS OF OTHER NATIONS

On the basis of a review of its own records and an inquiry of all U.S. Embassies in Western Europe, the Department of State has found no laws or regulations which are or could be aimed at the Arab Boycott of Israel. However, the Department notes an amendment to the Canadian Bill of Rights introduced March 13, 1975 in the Canadian House of Commons which would, if passed, make invalid in Canada any contracts which would require one or another party to "refrain from having commercial relations with any person or persons (whether within Canada or not) on the basis of race, national origin, colour, religion or sex."

Mr. BIESTER. I would appreciate that. Now, I am asking for some scenario writing, and I appreciate the difficulty. I will not necessarily press the matter, if it is too difficult. I am thinking in terms of best case-worst case.

#### POSSIBLE ADVERSE EFFECTS OF ANTI-BOYCOTT LEGISLATION

If we were to change the law and make it flatly illegal to cooperate in those questionnaires, etc., cooperating with the Arab boycott by supplying the information. Obviously, the best case would be no Arab boycott. What is the worst case?

Mr. SOBER. I might suggest some possibilities, and my colleagues might want to expand on them, but the worst case is that the other side would interpret our action as a desire for confrontation, and would adopt countermeasures, reprisals that might go to the point of breaking relations with us and to the extent that they could succeed in shifting their source of imports to other countries.

They could make great changes in their financial relationships with the United States, where these countries have very close and cooperative relationships with us.

I would like to leave finally on the political side, the specter that this could have a very serious and severe effect on the overall climate in which we are trying to work toward that very elusive peace between the Arabs and Israel.

Mr. BIESTER. Mr. Chairman, I have one further question, and then I will come back to you, Mr. Scalia.

On the question of dichotomy, which I think is extremely rationally raised with respect to the boycott and the religious discrimination in the United States, is it your opinion that the cooperation on the part of American companies with questions of Arab commercial interests, as far as dealings are concerned, so far as hiring practices are concerned, be violative of section VII?

Mr. SCALIA. You are presuming that the information is furnished with the knowledge that it will be used to enable the other person to

discriminate on the basis of race, color, et cetera. As far as I am aware, it is not a violation of U.S. law at the present time, to furnish information, knowing that somebody else will use it for that purpose.

Mr. BIESTER. So, it might be useful to deal with that aspect of this question with some legislation.

Mr. SCALIA. It would be useful to consider it. Some problems occur to me right off the bat, such as the problem of demonstrating the necessary state of knowledge on the part of the person who furnishes the information. We would not want to subject people to constant threat of suit, because they don't know why the information is being obtained.

Mr. BIESTER. What concerns me is that, perhaps, the problem we are talking about here, in terms of that aspect, is already covered by the current legislation. Apparently, it may not be totally.

Mr. SCALIA. I think this is right.

Mr. BIESTER. Thank you, Mr. Chairman.

Mr. BINGHAM. Mr. Whalen.

#### PENALTIES TO U.S. EXPORTER NOT COMPLETING COMMERCE DEPARTMENT REPORT

Mr. WHALEN. I would like to address my question to Mr. Meyer, if you would respond. I have here form DIB-621, and under part B it reads:

This form must be completed by a U.S. exporter whenever he is requested to take any action, including the furnishing of information or the signing of an agreement, which is designed to support a restrictive trade practice or boycott fostered or imposed by a foreign country against any other country not included in . . .

Then it continues further down

Failure to comply subjects the U.S. exporter to the penalties prescribed in section (6) of the Export Administration Act of 1969 as amended.

I don't have the statutes in front of me. What are those penalties?

Mr. MEYER. They range from a civil penalty up to \$1,000 per offense on up to criminal sanctions if the violation has an adverse impact on the national security.

Mr. WHALEN. Let me see if I understand this. The firm is given this questionnaire by an Arab company, or an Arab government. Then, the American firm is required to report this. Is that correct?

Mr. MEYER. That is correct; yes.

Mr. WHALEN. It is your responsibility, obviously, to enforce this, to see that the law is being complied with. How many cases have actually been brought before the appropriate court, or agency involving a failure to comply?

Mr. MEYER. We have had no sanction placed on a firm for failure to comply.

Mr. WHALEN. Although there are penalties prescribed by the law.

Mr. MEYER. I should point out that we did ascertain a few years back that there were a number of firms which had not reported, but the reason for their failure to report, in our judgment, could be attributed to ignorance of the law.

Mr. WHALEN. I think that Mr. Hostler in his testimony indicated that.

Mr. HOSTLER. Yes.

Mr. WHALEN. Has there been any further compliance ever since that time?

Mr. MEYER. We are presently engaged, as Mr. Hostler noted, in investigating the report that shipping companies and banks are violating the regulations. Our investigation is still underway.

Mr. WHALEN. That flurry of activity stems from recent disclosures. Is that correct?

Mr. MEYER. That is correct.

Mr. WHALEN. So, in the interim, the enforcement efforts were less than vigorous, I suppose?

Mr. MEYER. That is essentially correct, for the reasons set forth by Mr. Hostler in his statement.

Mr. WHALEN. To nail it down, there have been no cases filed for failure to comply in the submission of this document?

Mr. MEYER. That is correct.

Mr. WHALEN. You mentioned, in response to an earlier question raised, that in 1974, 23 firms did submit this export report, and this involved 785 transactions. What did you do then? What was the follow-up?

Mr. MEYER. We customarily examine the reports. We aggregate them. We analyze them in the sense of identifying the type of restriction, the type of document on which the request was made.

We tabulate what reports there are of compliance and noncompliance. We prepare a report quarterly and distribute that to the Bureau of International Commerce, and to the State Department.

Mr. WHALEN. The Bureau of International Commerce?

Mr. MEYER. Yes. We also report quarterly to Congress the number of transactions reported in the particular quarter.

#### U.S. FIRMS MAY COMPLY WITH BOYCOTT AFTER COMPLETING COMMERCE DEPARTMENT REPORT

Mr. WHALEN. The companies have complied with the law. Now, suppose a company said: "All right, this is my report. I am going to go ahead, and trade with the Arab States. I have complied with this. I feel I have complied with the law, which requires filling this report out. I have also completed the Arab boycott questionnaire, and we are going to go ahead and do business".

Do you have any authority to step in, under those circumstances?

Mr. MEYER. No, because the law does not prohibit such compliance. It simply requests that they not comply. You ask whether we have authority; I think we would be hard put to establish that, in those circumstances, a firm has violated any regulation.

Mr. WHALEN. What you are saying, then, is that every firm could and should file this report, but there is nothing to stop that firm from supporting the boycott by filling out the Arab questionnaire?

As a matter of fact, it might be interesting, just for the record, if you will excuse me, Mr. Meyer, to read section 10 on this report. It is under the heading of action, and in parentheses it says:

Completion of the information in this item would be helpful to the U.S. Government but is not mandatory.

Then there are three boxes:



(a) I/We have not complied and will not comply with the request for information or action described above.

(b) I/We have complied with, or will comply with, the request for information or action described above.

(c) I/We have not decided whether I/we shall comply with the request for information or action described above, and I/we will inform the Office of Export Control of my/our decision.

Do you want to intervene, Mr. Chairman?

Mr. BINGHAM. No.

Mr. WHALEN. I want to thank you, Mr. Meyer, for that information.

#### OTHER SECONDARY BOYCOTTS IN THE WORLD

I have just one other question, Mr. Sober, and it is a followup on Congressman Biester's question. To your knowledge, other than the Rhodesian boycott mandated by the U.N., is there any other country, or is there any other group of countries which conducts similar secondary boycott practices?

Mr. SOBER. None that occurs to me at the moment. The Congressman reminds me that there has been a boycott against Africa, but I am not sure that it is a secondary boycott.

The Organization of American States, I believe, had some problems with Cuba, but this was rather in the sense of a primary boycott.

Mr. WHALEN. In relation to the African boycott, do U.S. firms do any trade with South Africa?

Mr. SOBER. That is right.

Mr. BINGHAM. Mr. Sober, in your information that you are going to supply on the U.S. boycott, I think that it would be particularly helpful, if you would focus on the issue of whether they were primary or secondary.

Primary boycotts, we are familiar with, but I am not, myself, aware that any of these boycotts would be classified in the type of secondary boycott that we have here, trying to prohibit any economic dealings with companies that trade with the boycotting countries.

The sanctions in the Foreign Assistance Act, as it was pointed out, are directed against countries, and not against the business concerned.

Mr. SOBER. We will comply with that.<sup>1</sup>

#### INTERDEPARTMENTAL STUDY ON BOYCOTT PROBLEM

Mr. BINGHAM. You said in your statement that President Ford had ordered an interdepartmental study to determine what laws may be brought to bear on this problem, and also what additional steps, if any, should be taken by the Government in response.

What is the status of that study, and when do you anticipate that it will be concluded?

Mr. PARSKY. The study is still underway, Mr. Chairman, and I would anticipate that it would be concluded within a short period of time. I have learned, since being in the Government, not to predict with too much precision when a study would be completed. I would not imagine that it would last more than 1 month or so.

<sup>1</sup> The information requested of Mr. Sober appears on p. 224.

## BLACKLISTING OF ENTERTAINERS

Mr. BINGHAM. I was curious as to the reference in your statement, Mr. Sober, of the blacklisting of actors and their films and recordings just to have aided Israel through fundraising.

What is the effect of that, and would you describe what happens there a little more fully, and what you mean by blacklisting?

Mr. SOBER. The boycott conditions are issued by the central Arab boycott organization, which is in Damascus. This is a central boycott document that need not be adopted precisely by each of the many countries which adhere to the Arab boycott. Each one is supposed to have its own system.

The central purpose of the boycott is to inhibit actions deemed by the Arab States to support Israel in one way or another. When they set up a variety of criteria, they do not apply only to trade. I referred in my initial statement to some special services, like a branch office, or technical assistance agreement with them, or building a factory there.

Now, they also have certain requirements, or certain provisions in the boycott rules dealing with persons—not only firms—who they feel are providing some special support or encouragement to the State of Israel.

Mr. WHALEN. You mean George E. Jessel.

Mr. SOBER. There are some who are, perhaps, not Jewish, and who may be supporting Israel by fundraising campaigns, or statements. There may not be any very firm basis for saying that this person should, or should not be listed. As a matter of fact, a number of people have been put on the blacklist.

Mr. BINGHAM. I don't understand. What is the effect of the blacklist?

Mr. SOBER. They are not supposed to have any economic activities and especially their films may not be shown, their songs and recordings cannot be played, and their books cannot be sold. This type of thing.

#### ADMINISTRATION POLICY CONCERNING ASSIGNMENT OF JEWS TO ARAB STATES

Mr. BINGHAM. Now, would each of you tell us what is the policy of your department concerning sending Jews to Arab States?

Mr. SOBER. May I start? As for the Department of State, Mr. Chairman, we pursue a nondiscrimination policy in assigning personnel overseas. No post in the field, and no office in the State Department, can refuse the assignment of any employee on the basis of race, color, religion, sex, or national origin. This is a firm policy, a written policy. There are no deviations.

We have been talking about particular problem areas. If one of our personnel were selected for assignment to a foreign country, and if that country should refuse to issue him or her a visa, we would protest that refusal.

If we were unable to convince the other government to alter the decision, we would go ahead and reassign the officer or the person to another post, rather than keep him indefinitely in limbo. Now, that decision would not be based in any way on condoning or accepting the prejudices of the country in question, but rather on, if you will, an

acceptance of the pragmatic difficulties of having to live in the world in which we live.

Mr. BINGHAM. Has this happened in the case of Saudi Arabia?

Mr. SOBER. To the best of my knowledge and recollection, we have not had any personnel of the Jewish faith, because I think that this is the heart of the problem that we are talking about, assigned in Saudi Arabia.

If our personnel procedure came to the conclusion that a person of Jewish faith were the best qualified, inasmuch as we do not make assignment on the basis of faith or religion, we would go ahead and assign him.

As a matter of fact, we do not keep records in the State Department showing religious convictions. It is very hard to go back into history and get a complete answer as to what has happened, but I would say again that to the best of my knowledge, and this is a matter of personal knowledge, and checking with colleagues who have been in and around the area, we don't know of any person of known Jewish faith who has actually been assigned to Saudi Arabia.

Mr. BINGHAM. Are you saying to us that this is a matter of coincidence?

Mr. SOBER. No. It is not necessarily a matter of coincidence. There are various factors which go into the selection procedure. The matter of background and training is very important. The matter of a person's particular desire for a career opportunity, that is very important, too.

When we come to the case that you are talking about, if a Jewish employee sought assignment to a post in a country which, if you will, discriminates against Jews, which would exclude him, but if that person were the best qualified, we would go ahead and make the assignment.

I think that in practice, a very important consideration is the knowledge by Jewish employees in the Department of the discriminatory policies actually followed by the Arab countries. Now, I cannot say beyond that. I have stated that I have no knowledge of any Jewish personnel in the State Department that has been assigned to Saudi Arabia.

I do have knowledge of Jewish personnel who have been assigned, and have served, in some other Arab countries.

Mr. BINGHAM. Are you familiar, Mr. Sober, with the situation in South Africa, where according to my information the State Department has assigned black Americans to South Africa, which was against the preference of the South African Government?

Mr. SOBER. Yes, I am aware of that particular case. I think that this was a case, Mr. Chairman, where the person in question wanted to be assigned, and there was no reason why he should not be assigned, since he was qualified for that particular job.

I am not aware personally, from my own experience of the case, of a Jewish officer, or employee of the Department of State, who wished to be assigned, let us say, for example, to Saudi Arabia. I think that the reasons therefor are rather obvious.

I don't think that the analogy is precisely the same as the case that you mentioned in South Africa.

Mr. WHALEN. Would one of the qualifications be the ability to speak Arabic?

Mr. SOBER. It frequently is.

Mr. WHALEN. But is not an exclusive factor?

Mr. SOBER. I would say that many of our senior officers in the Arab countries speak Arabic, and they, in many cases, have gone through 2 years of Arabic training. For reasons which are not difficult to understand, this has not been an attractive course for Jewish officers to apply for.

Always making the caveat that we do not know exactly in every case what a man's religion is, and we are not going to ask, it is not difficult to understand why Jewish people haven't gone after this kind of knowledge or expertise.

Mr. BINGHAM. If women decided that they wanted to go to Saudi Arabia?

Mr. SOBER. The same thing would apply. We have some women there. We have women secretaries, communications personnel. We don't have women officers.

Again, I would say that I know of no case where a woman officer in the State Department has had any cause to complain. I know of no complaint that has been made that a woman wanted to go to Saudi Arabia, and she was not allowed to go. Although I don't know of any cases, that does not mean that it has not happened.

If there are any cases, in fact, where people have complained, we would want to investigate. I can assure you that we would act in accordance with the policies that I have described.

Mr. BINGHAM. Mr. Parsky, would you comment on this as far as the Treasury is concerned?

Mr. PARSKY. The Treasury experience in assigning personnel to Arab countries has not been extensive. We do not have Treasury representation in the Arab countries. So, our experiences have been most recent, and in the context of our joint commission activities.

I can say that our policies with respect to participation in joint commission activities, have been to assign and work with the most qualified people available. As part of these joint commission activities, we will continue to send our most qualified people to Saudi Arabi, to Egypt, to a number of Arab countries. I have discussed this issue at length with representatives from the Arab countries, and I have made it clear to them that it is our policy to recruit and to assign the most qualified people. They have indicated to me that they would be receptive to these people.

As a matter of fact, there have been members of the Jewish religion who have served on these commission activities with the Arab countries, and we have never been told that they are not welcome in the country.

Mr. BINGHAM. Mr. Hostler.

Mr. HOSTLER. I would second the remarks made by Mr. Parsky. Although the Commerce Department does not have large numbers of personnel assigned overseas, as mentioned in my statement, the investigation is not yet complete, we have no known instances of such discrimination within the Department of Commerce.

As I mentioned, on the contrary, we have sent people of the Jewish faith on temporary duty to Arab OPEC countries. Perhaps it would

be of interest to you, that our position is, if a businessman of Jewish origin would wish to participate in one of our trade promotional events in an Arab country, knowing the possible limitations, and wished to go on a trade mission to one of those countries, we would certainly not attempt to preclude it.

If he were refused a visa by any country, we would make diplomatic representations through the State Department, and the U.S. Embassy to that government in an effort to get such a refusal reversed. If that effort failed, we would have no recourse, but to cancel the Department's participation in the event.

Mr. BINGHAM. Do you have any comments on this subject, Mr. Scalia?

Mr. SCALIA. Yes, sir. The Department of Justice is probably the least peripatetic of the departments here. I certainly know of no case in which we have failed to send or assign anyone anywhere because of any factor of race, religion, or color, and so forth. I am confident that, the Department occupying the very special relationship to the Civil Rights Laws that it does, it would never occur. It is inconceivable to me.

#### COMPLIANCE OF ARAB COUNTRIES TO BOYCOTT

Mr. BINGHAM. One final area that I would like to explore. To the extent that you can give us specific information, would you indicate the various attitudes of the various Arab States toward the boycott?

Mr. SOBER. Although, as I said, virtually all the Arab States do adhere to the boycott of Israel through the office in Damascus, they do vary in the rigor with which they apply the boycott.

We have seen cases where firms on the central boycott list that went out of the Damascus office were doing business with one or another of the Arab countries. It is clear that some of the countries are more flexible than others, and will determine their decisions on a given company on the basis of their view of the national interest.

Now, it depends from country to country. There are one or two countries which pay very little attention to the boycott at all. There are some which apply it with extreme rigor.

Mr. BINGHAM. Can you be specific, Mr. Sober, or would you prefer not to be?

Mr. SOBER. I would prefer not to be too specific, but I would be glad to discuss this in closed session. My concern is only that I do not want, by putting something on the record, to inhibit those countries which might see it in their interest to be less rigorous than others.

Mr. BINGHAM. Would you submit that for the record on a classified basis?

Mr. SOBER. I would be glad to.<sup>1</sup>

#### DISTINCTION BETWEEN ANTIBOYCOTT AND ANTIDISCRIMINATION LEGISLATION

Mr. PARSKY. Mr. Chairman, there is one final point that I would like to make. In considering any policy change, or any legislation that we would pursue jointly in this area, I think we should differentiate

<sup>1</sup> The information referred to was subsequently provided to the subcommittee on a classified basis.



between policies or legislative action aimed at the boycott itself, and policies or legislative actions aimed at discrimination based on religious grounds.

I think that in considering the first category, policies or legislation aimed at the boycott, we should be careful to assess both the political effects that may result, and the economic effects.

With respect to political considerations, at this point in time, we are hopeful that there will be a settlement to the Middle East conflict. More important we must bear in mind the policies or legislation that we take. We must be alert to the effect on business activities in this country and results that would only antagonize the boycott.

In making those comments, I think it is important that we not leave the impression that as far as the administration is concerned, we are not clearly opposed to the boycott. We do oppose the boycott. Further, we are as much opposed to any sort of discrimination based on religious or ethnic grounds.

As far as we are concerned, to the extent that we can pursue our policies within the context of the economic efforts that we have undertaken, we will do so. I can assure you that our agencies have not been in violation of the law, and will not be so.

Mr. BINGHAM. I respect what you say, but I get a little bit tired of hearing the executive departments say that they are opposed to the boycott, and the opposition does not translate itself into much action. It is very easy to say that you are opposed to the boycott.

All of you have indicated opposition to the idea of legislation which would effectively oppose the boycott.

Mr. PARSKY. We have to look carefully at the word "effectively." We are as anxious to end the boycott as you are. It is a question of the most effective way we can go about doing it.

Mr. SOBER. May I make a comment on that, Mr. Chairman? Perhaps I might make the same caveat as I made in my last comment with regard to identifying the various countries, and their own policies toward the boycott.

I think it is generally recognized that Saudi Arabia has been a country that has rigorously applied the boycott. I would like to note, for what it may be worth, that some Saudi officials have recently gone so far as to indicate to us, in the context of the rather warm collaborative relationship that we have had in many other fields, that with progress toward the Middle East settlement, they are supporting very strongly the step-by-step approach which the Secretary of State has engaged in.

#### SOME ARAB COUNTRIES CONCERNED WITH U.S. ANTIBOYCOTT CAMPAIGN

With progress toward Middle East settlement, moves have been afoot among the Arab governments to consider some significant relaxation in the boycott rules. But in view of what they have interpreted to be a campaign in the United States, They have told us recently that any continuance of an effort to move toward easing the boycott will be extremely difficult. I think that we have to face that. It is not a situation that we like to see exist, but it is the situation.

I am not in any way espousing their defense of their position. It is one of the realistic problems that I think we have to face. I have emphasized, indeed, that this is related to the political front, finding some

way to end the disputes between the Arabs and Israel. This is the fundamental way in which we are going to resolve this.

I do think that we have to take that rather seriously, because they, themselves, take it that seriously.

Mr. BINGHAM. They indicated to you that they were offended by the publicity given to the boycott?

Mr. SOBER. No; it would be dangerous to read too much into my interpretation of their thinking. I would presume that they believe that it is, perhaps, a concerted effort, an anti-Arab effort. I don't know. They have not told us, except that they have noted what they consider to be a campaign against them.

Mr. BINGHAM. I want to say again, gentlemen, that I do expect that the legislation will probably be introduced this week. I will ask the chairman of the committee to refer it to the agencies for comments. I hope that those comments can be forthcoming.

Mr. BIESTER. Mr. Chairman, if I may, I think that we have had a very interesting session this afternoon. We have covered a great deal of ground, and we have had very candid, and direct answers to our questions from four very cooperative members of the administration.

We always, as Members of Congress, criticize the bureaucrats. Here we have had full answers. You have answered every question that we have asked you, candidly and directly. I appreciate that very much.

Mr. BINGHAM. I would like to join in that commendation. I think that all the witnesses were extremely well prepared. Thank you, very much.

The subcommittee stands adjourned.

[Whereupon, at 4:15 p.m., the subcommittee adjourned, subject to the call of the Chair.]



# DISCRIMINATORY ARAB PRESSURE ON U.S. BUSINESS

THURSDAY, DECEMBER 11, 1975

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON INTERNATIONAL RELATIONS,  
SUBCOMMITTEE ON INTERNATIONAL TRADE AND COMMERCE,  
*Washington, D.C.*

The subcommittee met at 3:15 p.m. in room 2255, Rayburn House Office Building, Hon. Jonathan B. Bingham (chairman of the subcommittee) presiding.

Mr. BINGHAM. The Subcommittee on International Trade and Commerce will be in order.

The subcommittee meets today to hear further administration testimony concerning discriminatory pressures against American businesses as a result of the Arab economic boycott of Israel.

The administration has requested extension of the Export Administration Act, which expires in September 1976. That proposed extension is pending before the Committee on International Relations, and the committee is expected to take it up in the next session.

The Export Administration Act is the major statute directly governing the activities of American firms in international trade. Primary responsibility for administering the act has been delegated by the President in Executive Orders 11533, June 4, 1970, and 11753, December 20, 1973, to the Secretary of Commerce.

## CONGRESSIONAL INTENT IN EXPORT ADMINISTRATION ACT

The legislative history of the Export Administration Act indicates clearly Congress' intent that American businesses should not comply in any way with boycott requests. The act states that it is U.S. policy "to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States."

It is further the policy of the United States, according to the act, that "domestic concerns \* \* \* refuse to take any action, including the furnishing of information or the signing of agreements, which has the effect of furthering or supporting restrictive trade practices or boycotts \* \* \*"

Only on the basis of administration insistence in 1965 and 1969 did the Congress refrain from including in the language of the Export Administration Act a flat prohibition on U.S. business cooperation with boycotts.

The legislative history of the act shows clearly, however, that that restraint on the part of the Congress was intended not to give the executive branch an option as to whether or not to prohibit American

firms from cooperating with embargoes, but rather to allow it some flexibility as to how best to implement such a prohibition.

Recent events and revelations demonstrate clearly that American firms have not been precluded from cooperating with boycotts. Recognizing that, this subcommittee held hearings March 6, 12 and 13.

Testimony was heard at that time from the Departments of State, Commerce, and Justice. Administration witnesses at that time opposed remedial legislation—such as H.R. 4967, which I have introduced, and H.R. 5913, introduced by Congressman Drinan and others—that would amend the Export Administration Act explicitly to prohibit any cooperation by American firms with foreign boycotts.

The President announced on November 20, 1975, a number of measures directed at foreign boycotts. He said, among other things, that he now supports prohibitions upon "U.S. exporters and related service organizations from answering or complying in any way with boycott requests that would cause discrimination against U.S. citizens or firms on the basis of race, color, religion, sex, or national origin."

On November 21, the Commerce Department issued new regulations purporting to implement that policy.

The purpose of today's hearing is to probe and assess this new policy and its implications, particularly as it relates to pending legislation I have already mentioned.

Our witness today is Hon. James A. Baker III, Under Secretary of Commerce.

Mr. Secretary, we are glad to welcome you to the committee, and to congratulate you on your new appointment. We understand that this is your first appearance on the Hill. If you would please give us a little idea of your background. Generally, we do get written résumés from all our witnesses.

Just for our information, if you would begin by giving us a little outline of your experience.

## STATEMENT OF HON. JAMES A. BAKER III, UNDER SECRETARY OF COMMERCE

James A. Baker, III, was nominated by President Ford to be Under Secretary of Commerce on July 22, 1975. He was confirmed by the United States Senate on August 1, 1975, and was sworn into office on August 11, 1975.

Under Secretary Baker was born in Houston, Harris County, Texas in 1930, attended the Kinkaid School in Houston and graduated from The Hill School in Pottstown, Pennsylvania. After attending Princeton University where he graduated with a B.A. degree in 1952, he served as a Lieutenant in the U.S. Marine Corps until 1954 and as a Captain in the U.S. Marine Corps Reserve until 1958. He began his graduate work at the University of Texas Law School in Austin in 1954 and graduated in 1957, LL.B. (J.D.), with honors. He became associated with the law firm of Andrews, Kurth, Campbell & Jones, the fifth largest in Texas, in 1957 and became a partner of that firm in 1967. He has specialized in general business law, with particular emphasis in the fields of corporate, securities and real property law.

Mr. Baker is a member of the American, Texas and Houston Bar Associations, the American Judicature Society and Phi Delta Phi Honorary Legal Fraternity. He is a member of the bars of all Texas courts, the U.S. Court of Appeals for the Fifth Circuit and the U.S. District Court for the Southern District of Texas. Prior to his appointment as Under Secretary of Commerce, Mr. Baker was a director of Texas Commerce Bank, National Association, president and director of Graham Realty Company of Houston and a director of WellTech, Inc.

Under Secretary Baker was active in the civic, religious and benevolent affairs of his community, as a member of the Vestry of St. Martin's Episcopal Church;



Vice Chairman of the American Cancer Society in Harris County, Texas; Trustee of Texas Children's Hospital and the McMannis Mission Fund; Advisory Trustee of the Daniel & Edith Ripley Foundation and of Northwest Academy; an associate member of the Board of Visitors of the University Cancer Foundation; and a member of the Advisory Council of the Speech and Hearing Institute and the Graduate School of Biomedical Sciences of the University of Texas Health Science Center at Houston.

Baker, his wife (the former Susan Blackshear Garrett) and their seven children, ranging in age from 20 to 9, reside in Washington, D.C.

Mr. BAKER. Thank you, Mr. Chairman.

First of all, I would like to introduce Mr. Peter Hale, on my right, who is head of our Commerce Action Group for the Near East, Bureau of International Commerce, and Mr. Richard E. Hull, on my left, who is Assistant General Counsel for our Domestic and International Business Administration.

I am 45 years old. I was sworn in on August 11 of this year. I am from Houston, Tex. My education was primarily in Houston, Tex., although I went to Princeton University where I obtained an A.B. degree in 1952.

I am a lawyer, and I graduated from the University of Texas Law School in 1957, after a 2 year stint in the U.S. Marine Corps.

My business experience has consisted of 18 years in the private practice of law with the same law firm in Houston, Tex., which I left, as I said, on August 11 to undertake this new responsibility.

Mr. Chairman and members of the subcommittee, I appreciate this opportunity to appear before the Subcommittee on International Trade and Commerce to discuss H.R. 4967 and related legislation that would amend the Export Administration Act to prohibit American firms from answering or complying in any way with requests that are related to restrictive trade practices imposed by any foreign country against another country friendly to the United States.

#### PROVISIONS OF EXPORT ADMINISTRATION ACT

Section 3(5) of the Export Administration Act currently provides that it is the policy of the United States to oppose such restrictive trade practices or boycotts and to encourage and request U.S. domestic concerns not to take any action that would further such practices.

Firms are not prohibited from taking such actions, although section 4(b)(1) of the act does give the Secretary of Commerce the discretionary authority to so prohibit. This discretionary authority has not been fully exercised, and H.R. 4967 is intended to mandate prohibition.

The administration opposed such a mandated prohibition when it was first introduced in 1965, for the reasons detailed in Deputy Assistant Secretary Hostler's testimony before this subcommittee on March 13, 1975. We continue to strongly oppose the enactment of this provision.

In initially enacting section 3(5) in 1965, and during subsequent extensions of the act, the Congress wisely provided the executive branch with an adequate legal basis for dealing with restrictive trade practices or boycotts but did not tie its hands by making a particular course of action mandatory.

The records of the committee hearings and floor debate on the provision in 1965 make clear the judgment of the Congress that the Presi-

dent should be allowed the flexibility necessary to deal with the foreign affairs concerns of the United States.

#### COMMERCE DEPARTMENT IMPLEMENTATION OF ACT

This administration is clearly on record as fully supporting the 1965 declaration of policy by the Congress which is contained in section 3(5) of the act. Secretary Morton has so stated and has taken significant actions since becoming Secretary of Commerce only 7 months ago, actions which reflect, I believe, appropriate and effective use of the discretionary authority given him by the Congress in the current legislation.

#### MASSIVE PUBLICITY CAMPAIGN

If I may, let me summarize these actions for you :

The Department instituted a massive publicity campaign to inform U.S. exporters of the United States policy declared by the Congress, to request and encourage exporters not to comply with boycott-related requests for information and to remind them of the reporting requirements under our export administration regulations. As part of this campaign, copies of the pertinent parts of our regulations were mailed out to some 30,500 firms listed in the American International Traders' Index and several articles were published in "Commerce Today."

#### INVESTIGATION OF REPORTING VIOLATIONS

Coupled with this publicity campaign, all violations of the reporting requirements which have come to the Department's attention have been investigated, and as a result thereof, 226 firms have been warned, civil penalties have been imposed against four firms, and charges are pending against two additional firms.

#### WORK WITH DEPARTMENTS OF STATE AND JUSTICE

Secretary Morton has instituted a policy of referring to the Departments of State and Justice for appropriate action, any boycott-related request for information which apparently involves discrimination against Americans on religious or ethnic grounds.

In September, Secretary Morton amended the reporting requirements under our regulations to require reporting firms to indicate whether or not they had complied, or intended to comply, with the reported boycott-related requests for information. Since 1965, the answer to that question in the Department's reporting form had remained optional, and had not been answered by most reporting firms.

#### PRESIDENT FORD'S ANNOUNCEMENT ON REGULATIONS CHANGE

On November 20, the President directed that the regulations be amended to prohibit exporters from complying with any boycott-related requests which involve discrimination against Americans on the basis of race, color, religion, national origin or sex, and also to require related service organizations such as banks, insurers, freight

forwarders, and shipping companies to report the receipt of any boycott-related requested directly to the Department.

In addition, the President announced a number of decisions affecting other agencies which provide a comprehensive response to any discrimination against Americans on the basis of race, color, religion, national origin or sex that might arise from foreign boycott practices.

I have a copy of the statement by the President and I would like to submit it for the record, along with a copy of export administration bulletin No. 149 of November 20, which fully implements the aforementioned amendments to the Department's Export Administration Regulations.

Mr. BINGHAM. We will be glad to accept the material, and the staff of the committee will decide on the appropriate implementation, without objection.<sup>1</sup>

Mr. BAKER. On November 27, Secretary Morton announced that effective December 1, the Department would cease to disseminate any documents or information on trade opportunities obtained from any documents or materials, which are known to contain a restrictive trade practice or boycott against another country friendly to the United States.

I would also like to submit, for the record, a copy of the Secretary's circular No. 21 of November 26, which implements this change in the Department's policy.

Mr. BINGHAM. Without objection, the same disposition will be made.<sup>2</sup>

#### RELEASE OF REPORTS TO CONGRESSIONAL SUBCOMMITTEE

Mr. BAKER. On December 9, relying on assurances from Congressman John E. Moss, as chairman of the Subcommittee on Oversight and Investigations, that the committee's handling of the reports filed under part 369 of the Export Administration Regulations would be fully responsible and in consonance with their asserted confidentiality, Secretary Morton made the national interest determination required under section 7(c) of the act to provide the subcommittee with copies of all such reports filed with the Department since December 31, 1969.

#### INVOLVEMENT OF JUSTICE DEPARTMENT

Last August, Secretary Morton had made a similar national interest determination to authorize representatives of the Department of Justice to have access to all such reports on a confidential basis, in connection with their investigation of possible civil rights and antitrust violations.

In his statement, the President noted the serious consideration which the Department of Justice is now giving to the antitrust implications of the refusal of any American firm to deal with another firm, in order to comply with a restrictive trade practice by a foreign country.

Mr. BINGHAM. I have to interrupt you, sir. We have a quorum call on the floor, and we will suspend for a few minutes.

[The subcommittee recessed briefly.]

Mr. BINGHAM. The subcommittee will resume its session.

<sup>1</sup> The material referred to appears on p. 121.

<sup>2</sup> The material referred to appears on p. 131.

Mr. Secretary, will you please proceed.

Mr. BAKER. Mr. Chairman, the authority presently contained in the Export Administration Act allows for an appropriate balance between our policy of opposing restrictive trade practices or boycotts and supporting legitimate U.S. interests in the Middle East.

#### PROBLEMS OF ANTIBOYCOTT LEGISLATION

H.R. 4967, by prohibiting American concerns from taking any action in compliance with a boycott-related request, would remove our capability to achieve this balance. It would in my opinion, cause serious damage to legitimate U.S. interests without significantly affecting the application of the particular restrictive trade practices at which it is principally directed, that is, the so-called secondary boycott by the League of Arab Nations against the State of Israel.

In order to fully explain our position, it is necessary to provide some background on the Arab boycott. I ask the subcommittee's indulgence if some of this background was previously provided by Deputy Assistant Secretary Hostler's testimony on March 13.

#### "DISCRIMINATION" AND "BOYCOTT" ARE NOT SYNONYMOUS

I would like first to draw a necessary distinction between the issues of religious or ethnic discrimination against U.S. citizens and the Arab countries' economic boycott of Israel.

It is unfortunate that the two terms "discrimination" and "boycott" are viewed by many as synonymous. The Arab boycott against Israel is not intended under its governing principles to discriminate against American firms or citizens on religious or ethnic grounds.

Since the inception of the boycott reporting requirement in 1965, over 50,000 transactions involving a boycott-related request have been reported. Of these, only 25 instances have been reported where the request apparently involved such discrimination.

As I have already noted, the administration has recently taken action to effectively deal with any instances of attempted discrimination on the basis of race, color, religion, national origin, or sex, that might arise from foreign boycott practices.

On the other hand, the Arab boycott against the State of Israel must be dealt with separately and distinctly as an economic and foreign policy issue.

#### PRIMARY BOYCOTT

The Arab boycott against Israel dates from 1946 when the Arab League Council applied a primary boycott to prevent the entry of certain products into Arab countries from territory now part of Israel.

#### SECONDARY BOYCOTT

The secondary boycott designed to inhibit third parties from assisting in Israel's development was introduced in 1951. The boycott is reflected in a lengthy and complex set of "principles" adopted over the years by the Arab League Council, which focus primarily upon various business activities which the Arab governments view as supporting Israel.

These activities include the establishment of a plant in Israel, the supply of a significant portion of the components for products assembled in Israel, grants of manufacturing licenses or the right to use a company's name, entry into partnership with Israeli companies, supply of advice or technical expertise to Israeli manufacturing plants, action as agents for Israeli companies or principal supporters of Israeli products, and refusal to answer questions posed by Arab governments within a specified period.

These prohibitions are subject in practice to numerous exceptions and I emphasize this—are not meant in theory to cover routine trading relationships in Israel in nonmilitary items.

#### “BOYCOTT REQUESTS”

Most transactions originating from Arab countries enforcing the boycott will involve a response to some type of boycott-related condition at some stage of the transaction. There appears to be widespread misunderstanding of the nature of these so-called “boycott requests,” responses to which would be prohibited by H.R. 4967, and of the implications of U.S. concerns complying with such requests.

Many are requests for information about the nature of a firm's business relations, if any, with Israel, or for certifications, for example, that goods to be supplied to an Arab country are not of Israeli origin or contain any components of Israeli origin.

#### COMPLIANCE WITH A BOYCOTT REQUEST

Compliance with a boycott request by a U.S. firm does not necessarily mean that the firm is, in any real sense, participating in a boycott of Israel. A look at the nature of U.S. business activities abroad can shed considerable light on the impact of the boycott on the decisions of American firms.

Only a small minority of U.S. firms engage in the type of overseas activities that, if undertaken in Israel, would subject them to boycott sanctions. Most U.S. firms dealing abroad are interested only in selling their goods and services wherever there is a market for them.

Many firms do business on this basis with both Israel and Arab countries. My point, Mr. Chairman, is that the decisions of most U.S. firms doing business in the Middle East are not influenced by considerations of avoiding boycott sanctions by avoiding trade with Israel.

For such firms, responses to boycott requests are essentially affirmations of historical experience and existing factual situations.

Yet, if H.R. 4967 were enacted, a potential U.S. exporter could not attest to an Arab source that he has no subsidiary in Israel, even though his reason for this would be the same as for his having no subsidiary in France, in California, or anywhere else.

Similarly, a U.S. exporter would be prohibited from certifying in shipping documents that his products contained no components of Israeli origin, even though he has traditionally used U.S. components exclusively, and has never contemplated importing components from Israel.



## ADMINISTRATION OPPOSES SECONDARY BOYCOTT

I reemphasize that this administration opposes the application of secondary boycotts against U.S. firms in the conduct of international commercial relations. We have made repeated efforts over the years to persuade Arab countries that it would be in their own interests to relax or end this practice.

We deplore, as you do, the fact that the interests of some American concerns are damaged by this secondary boycott, through denial to them of access to business opportunities in Arab markets.

## BOYCOTT IS IMPOSED WORLDWIDE

We do not believe, however, that the appropriate response to this concern is to deny to all U.S. concerns access to some of the fastest growing export markets in the world today.

Mr. Chairman, it is the assumption of those who advocate the measures contained in H.R. 4967 that such measures will put an end to application of the secondary boycott to U.S. concerns.

We are convinced that this would not be the case. The boycott is imposed worldwide, and no other country has legislated against it. The Arab countries consider the boycott to be a legitimate act of economic warfare against a country which they have considered as their adversary for the past 20 years.

They view the inclusion of boycott related requests as conditions in transactions with foreign firms as a logical extension of this policy.

If American firms were prohibited from providing the required information, these countries could and would fill their requirements from sources outside the United States.

It is a fact that, with very few exceptions, all the goods and services procured from the United States can be procured elsewhere, and that international competition for the Arab markets is quite intense. Moreover, such U.S. action could well provoke even stronger countermeasures in the trade area by the Arab countries.

## ADVERSE EFFECTS OF LEGISLATION

Enactment of H.R. 4967 could have a serious adverse impact, therefore, on our balance of trade, and more importantly, on employment in the United States. U.S. exports to these Arab nations are projected to reach a level of \$5.2 billion in 1975, and to exceed an annual level of \$10 billion before 1980.

Based on Bureau of Labor statistics figures, it is estimated that each billion dollars of U.S. exports represents 40,000 to 70,000 jobs for American workers.

H.R. 4967 could prevent American firms from complying with foreign laws and regulations in many cases and result in their surrendering Arab markets to their foreign competitors.

There is also a strong possibility that the Arab nations would interpret enactment of H.R. 4967 as a major shift in U.S. foreign policy in the Middle East.

Both could result in the loss of significant trade opportunities by U.S. interests and business concerns in these countries.

The curtailment of commercial relations with the Arab world would dissipate an important source of U.S. political leverage with Arab governments and cripple U.S. efforts to bring about a fair settlement of the conflict in the Middle East as well as the issues underlying it.

We continue to believe that the only way to bring this boycott to an end is to achieve such a fair settlement.

The Congress considered enacting a mandatory prohibition in 1965, and, for these reasons, wisely decided against it. These reasons for not enacting such a prohibition are even more compelling today, when considerable progress has been made towards restoring peace in the Middle East.

We should not be swayed by emotional considerations in dealing with such a complex issue. We urge the Congress not to mandate a policy of confrontation which would work to the detriment of U.S. interests and efforts to resolve the underlying issues.

Mr. Chairman, this concludes my statement. I shall be pleased to answer any questions.

[The attachments to Mr. Baker's statement follow:]

[From the Office of the White House Press Secretary, Nov. 20, 1975]

#### THE WHITE HOUSE

#### STATEMENT BY THE PRESIDENT

I am today announcing a number of decisions that provide a comprehensive response to any discrimination against Americans on the basis of race, color, religion, national origin or sex that might arise from foreign boycott practices.

The United States Government, under the Constitution and the law, is committed to the guarantee of the fundamental rights of every American. My Administration will preserve these rights and work toward the elimination of all forms of discrimination against individuals on the basis of their race, color, religion, national origin or sex.

Earlier this year, I directed the appropriate departments and agencies to recommend firm, comprehensive and balanced actions to protect American citizens from the discriminatory impact that might result from the boycott practices of other governments. There was wide consultation.

I have now communicated detailed instructions to the Cabinet for new measures by the United States Government to assure that our anti-discriminatory policies will be effectively and fully implemented.

These actions are being taken with due regard for our foreign policy interests, international trade and commerce and the sovereign rights of other nations. I believe that the actions my Administration has taken today achieve the essential protection of the rights of our people and at the same time do not upset the equilibrium essential to the proper conduct of our national and international affairs.

I made the basic decision that the United States Government, in my Administration, as in the administration of George Washington, will give "to bigotry no sanction." My Administration will not countenance the translation of any foreign prejudice into domestic discrimination against American citizens.

I have today signed a Directive to the Heads of All Departments and Agencies. It states:

(1) That the application of Executive Order 11478 and relevant statutes forbid any Federal agency, in making selections for overseas assignments, to take into account any exclusionary policies of a host country based upon race, color, religion, national origin, sex or age. Individuals must be considered and selected solely on the basis of merit factors. They must not be excluded at any stage of the selection process because their race, color, religion, national origin, sex or age does not conform to any formal or informal requirements set by a foreign nation. No agency may specify,

in its job description circulars, that the host country has an exclusionary entrance policy or that a visa is required:

(2) That Federal agencies are required to inform the State Department of visa rejections based on exclusionary policies; and

(3) That the State Department will take appropriate action through diplomatic channels to attempt to gain entry for the affected individuals.

I have instructed the Secretary of Labor to issue an amendment to his Department's March 10, 1975, Secretary's Memorandum on the obligations of Federal contractors and subcontractors to refrain from discrimination on the basis of race, color, religion, national origin or sex when hiring for work to be performed in a foreign country or within the United States pursuant to a contract with a foreign government or company. This amendment will require Federal contractors and subcontractors, that have job applicants or present employees applying for overseas assignments, to inform the Department of State of any visa rejections based on the exclusionary policies of a host country. The Department of State will attempt, through diplomatic channels, to gain entry for those individuals.

My Administration will propose legislation to prohibit a business enterprise from using economic means to coerce any person or entity to discriminate against any U.S. person or entity on the basis of race, color, religion, national origin or sex. This would apply to any attempts, for instance, by a foreign business enterprise, whether governmentally or privately owned, to condition its contracts upon the exclusion of persons of a particular religion from the contractor's management or upon the contractor's refusal to deal with American companies owned or managed by persons of a particular religion.

I am exercising my discretionary authority under the Export Administration Act to direct the Secretary of Commerce to issue amended regulations to:

(1) prohibit U.S. exporters and related service organizations from answering or complying in any way with boycott requests that would cause discrimination against U.S. citizens or firms on the basis of race, color, religion, sex or national origin; and

(2) require related service organizations that become involved in any boycott request to report such involvement directly to the Department of Commerce.

Related service organizations are defined to include banks, insurers, freight forwarders and shipping companies that become involved in any way in a boycott request related to an export transaction from the U.S.

Responding to an allegation of religious and ethnic discrimination in the commercial banking community, the Comptroller of the Currency issued a strong Banking Bulletin to its member National Banks on February 24, 1975. The Bulletin was prompted by an allegation that a national bank might have been offered large deposits and loans by an agent of a foreign investor, one of the conditions for which was that no member of the Jewish faith sit on the bank's board of directors or control any significant amount of the bank's outstanding stock. The Bulletin makes it clear that the Comptroller will not tolerate any practices or policies that are based upon considerations of the race, or religious belief of any customer, stockholder, officer or director of the bank and that any such practices or policies are "incompatible with the public service function of a banking institution in this country."

I am informing the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System and the Federal Home Loan Bank Board that the Comptroller's Banking Bulletin reflects the policy of my Administration and I encourage them to issue similar policy statements to the financial institutions within their jurisdictions, urging those institutions to recognize that compliance with discriminatory conditions directed against any of their customers, stockholders, employees, officers or directors is incompatible with the public service function of American financial institutions.

I will support legislation to amend the Equal Credit Opportunity Act, which presently covers sex and marital status, to include prohibition against any creditor discriminating on the basis of race, color, religion, or national origin against any credit applicant in any aspect of a credit transaction.

I commend the U.S. investment banking community for resisting the pressure of certain foreign investment bankers to force the exclusion from financing syndicates of some investment banking firms on a discriminatory basis.

I commend the Securities and Exchange Commission and the National Association of Securities Dealers, Inc., for initiating a program to monitor practices in the securities industry within their jurisdiction to determine whether such

discriminatory practices have occurred or will occur. I urge the SEC and NASD to take whatever action they deem necessary to insure that discriminatory exclusion is not tolerated and that non-discriminatory participation is maintained.

In addition to the actions I am announcing with respect to possible discrimination against Americans on the basis of race, color, religion, national origin or sex, I feel that it is necessary to address the question of possible antitrust violations involving certain actions of U.S. businesses in relation to foreign boycotts. The Department of Justice advises me that the refusal of an American firm to deal with another American firm in order to comply with a restrictive trade practice by a foreign country raises serious questions under the U.S. anti-trust laws. The Department is engaged in a detailed investigation of possible violations.

The community of nations often proclaims universal principles of human justice and equality. These principles embody our own highest national aspirations. The anti-discriminations measures I am announcing today are consistent with our efforts to promote peace and friendly, mutually beneficial relations with all nations, a goal to which we remain absolutely dedicated.

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[Export Administration Bulletin, No. 149, Nov. 20, 1975]

#### SUPPLEMENT TO EXPORT ADMINISTRATION REGULATIONS

**Subject:** Revision of regulations relating to restrictive trade practices or boycotts.

The Export Administration Regulations concerning restrictive trade practices or boycotts have been revised in several important respects.

The regulations have been revised to prohibit U.S. exporters and related service organizations from taking any action, including the furnishing of information or the signing of agreements, that has the effect of furthering or supporting a restrictive trade practice that discriminates against U.S. citizens or firms on the basis of race, color, religion, sex, or national origin. Reports of receipt of such requests must be filed with the Office of Export Administration within 15 business days of receipt of each request. A new Form DIB-630P is to be used for reporting such requests.

The regulations have also been revised to require reports from all service organizations (such as banks, insurers, freight forwarders, and shipping companies) that become in any way involved in a restrictive trade practice request related to an export from the United States of commodities, services, technical data, or other information. Previously, service organizations were required to report such requests to the U.S. exporter, who was then required to report to the Office of Export Administration. Now, both the exporter *and* the service organization must report the receipt of such requests to the Office of Export Administration. Form DIB-621—has been revised to reflect this change in the reporting requirement. Copies of the revised Form DIB-621P and the new Form DIB-630P are included in this Bulletin.

Effective date of action: December 1, 1975.

Accordingly, Part 369 of the Export Administration Regulations (15 CFR Part 369) is revised to read as follows:

##### **§ 369.1. General policy.**

Section 3(5) of the Export Administration Act of 1969, as amended, declares that it is the policy of the United States "to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States." The portion of Section 4(b) (1) of the Act implementing this policy provides that "all domestic concerns receiving requests for the furnishing of information or the signing of agreements as specified in . . . [Section 3(5)] must report this fact to the Secretary of Commerce for such action as he may deem appropriate to carry out the purposes of that Section."

##### **§ 369.2. Discrimination on the basis of race, color, religion, sex or national origin.**

###### *(a) Prohibition of Compliance With Requests*

All exporters and related service organizations (including, but not limited to, banks, insurers, freight forwarders, and shipping companies) engaged or involved in the export or negotiations leading towards the export from the United States



of commodities, services, or information, including technical data (whether directly or through distributors, dealers, or agents), are prohibited from taking any action, including the furnishing of information or the signing of agreements, that has the effect of furthering or supporting a restrictive trade practice fostered or imposed by foreign countries against other countries friendly to the United States, which practice discriminates, or has the effect of discriminating, against U.S. citizens or firms on the basis of race, color, religion, sex, or national origin.

(b) *Examples of Requests*

To be subject to the requirements of this § 369.2, the discrimination sought to be effectuated by the request must be directed at a particular race, color, religion, sex, or national origin. There are many words or phrases that could place a request in this category. Examples are inquiries as to the place of birth or the nationality of parents of employees, stockholders, or directors, or inquiries as to whether they are "Jewish," "Negro," "female," etc. Further examples are inquiries using any code words to further or support discrimination on the basis of race, color, religion, sex, or national origin.

The following are examples of types of documents in which such requests might originate, but should not be interpreted as comprehensive.

(i) A questionnaire asking whether a U.S. firm is owned or controlled by persons of the Jewish faith, or whether it has Jews on its board of directors, or inquiring as to the national origin of a U.S. firm's stockholders or directors. This type of inquiry may also take the form of a required certification. (Similar questions aimed at determining whether a U.S. firm is owned or controlled by Israeli nationals would not fall in this category, but would be covered by § 369.3.)

(ii) A contractual clause that would prohibit using the goods or services of a Jewish subcontractor.

(iii) A requirement that a U.S. firm not send persons of a particular religion to a country where it performs services. (A general requirement that a U.S. firm performing services in a country comply with all laws and administrative practices of the country is not deemed *per se* to constitute a restrictive trade practice for purposes of this § 369.2. However, agreeing to such a requirement does not authorize the firm to cooperate with a country's discriminatory visa restrictions by failing to submit visa applications for any of its qualified employees of a particular religion. Such action would constitute a prohibited act of discrimination.)

**§ 369.3. Other restrictive trade practices or boycotts.**

(a) *Policy Concerning Compliance With Requests*

All exporters and related service organizations engaged or involved in the export or negotiations leading to the export from the United States of commodities, services, or information, including technical data (whether directly or through distributors, dealers, or agents), are encouraged and requested to refuse to take any action, including the furnishing of information or the signing of agreements, that has the effect of furthering or supporting other restrictive trade practices or boycotts fostered or imposed by foreign countries against any country not included in Country Groups S, W, Y, or Z. It should be noted that the boycotting of a U.S. firm by another U.S. firm in order to comply with a restrictive trade practice by foreign countries against other countries friendly to the United States may constitute a violation of United States antitrust laws.

(b) *Examples of Requests*

Basically, this Section covers restrictive trade practice requests to implement economic sanctions applied by one country against another country friendly to the United States. These are aimed at restricting certain types of business relationships that U.S. firms might otherwise undertake. The requests may be aimed at a particular country, nationals of that country, or firms or organizations that may be involved in commercial or other activity with a particular country. They may take the form of a request for a certification as to the "nationality" of individuals (e.g. "Israeli" or "South African," as opposed to national origin or ethnic background), the country of origin of the goods, or the absence of a firm from the "blacklist" of a country or group of countries. The following are other examples of requests in this category, but should not be interpreted as being comprehensive.

(i) A request for information as to whether the U.S. exporter or any subsidiary or affiliate of the U.S. exporter has, or intends to have, any stockholders, owners, employees, or officers who are nationals of a boycotted country.

(ii) A request for information as to whether the U.S. exporter or any subsidiary or affiliate of the U.S. exporter has, or intends to have, any business



relationship with a boycotted country or a national of a boycotted country. These business relationships include, but are not limited to, trade in commodities or technical know-how, licensing arrangements, advertising or promotion of sale of goods originating in a boycotted country, or use of such goods as components in a manufacturing process.

(iii) A request for information as to whether the U.S. exporter or any subsidiary or affiliate of the U.S. exporter does any business, or intends to do any business, with any firm that has a business relationship with a boycotted country or a national of a boycotted country.

(iv) A request for information as to whether the U.S. exporter or any subsidiary or affiliate of the U.S. exporter has any investments, including branches, subsidiaries, affiliates, or holdings, or any commercial or legal representation in a boycotted country, or a business firm located in, or doing business in, a boycotted country.

(v) A restriction prohibiting the U.S. exporter or any subsidiary or affiliate of the U.S. exporter from using shipping or transportation facilities that are "blacklisted" by the importing country. (However, a request or restriction solely precluding the export of commodities to the importing country on (a) shipping or transportation facilities owned, controlled, operated, or chartered by a country or a national of a country friendly to the United States but not friendly to the importing country, or (b) a carrier that stops at a port in a country friendly to the United States but not friendly to the importing country prior to stopping at the port of unloading is not deemed a restrictive practice within the meaning of Section 3(5) of the Export Administration Act, but rather a precautionary measure to avoid any risk of confiscation of the commodities. Accordingly, these two types of shipping restrictions are exempted from the reporting requirement of this section.)

#### § 369.4. Reporting requirements.

Any U.S. exporter receiving or informed of a request for an action, including the furnishing of information or the signing of agreements, that has the effect of furthering or supporting a restrictive trade practice or boycott, as described in §§ 369.2 or 369.3 above, shall report the request to the Office of Export Administration, Room 1617M, U.S. Department of Commerce, Washington, D.C. 20230. Where such request is received by any person or firm other than the exporter, handling any phase of the transaction for the exporter, that person or firm (forwarding agent, shipping company, bank, insurer, etc.) must also report the request to the Office of Export Administration. The report shall be submitted in accordance with the procedure set forth in paragraph (a) of this section for requests described in § 369.2, and in paragraph (b) of this section for requests described in § 369.3. The information contained in these reports is subject to the provisions of Section 7(c) of the Export Administration Act of 1969 regarding confidentiality. If more than one document, such as an invitation to bid, purchase order, or letter of credit containing the same restrictive trade practice request is received as part of the same export transaction, only the first such request relating to the same goods or services need be reported. Individual shipments against the same purchase order or letter of credit should not be treated as separate transactions. However, each different restrictive trade practice request associated with a given transaction must be reported, regardless of when or how the request is received. For example, if a report of a request is submitted following receipt of a bid invitation and the bid ultimately results in an order with new and different restrictive trade practice requests, each such new request must be reported. Also, if a firm, in bidding on a contract, is required to answer a questionnaire and subsequently is required to place restrictive trade practice certifications (e.g., that the vessel on which the commodities are to be shipped is not blacklisted) on its commercial documents covering shipments called for in the contract, the questionnaire and the certification requirement must be reported separately. Notices of laws or edicts contained in exporters' guidebooks or similar publications, and general directives furnished by a foreign principal that are to apply uniformly to future specific orders for goods or services, need not be reported unless such a blanket notice or directive is to be applied to a particular purchase order of similar instruction to furnish goods or services.

##### (a) *Reporting Requests Covered By § 369.2*

Each request to take any action that would further or support a restrictive trade practice or boycott in a way that would discriminate, or have the effect of discriminating, against U.S. citizens or firms on the basis of race, color, religion, sex, or national origin as defined in § 369.2, must be reported individually to the

Office of Export Administration, U.S. Department of Commerce, Washington, D.C. 20230, within 15 business days of receipt. Reports required by this § 369.4(a) must be submitted on Form DIB-630P, Report of Restrictive Trade Practice or Boycott Request that Discriminates Against U.S. Citizens or Firms on the Basis of Race, Color, Religion, Sex, or National Origin. Answers to all questions contained therein are mandatory. A copy of the document or other communication containing the restrictive request must be attached to the reporting form.

*(b) Reporting Requests Covered By § 369.3*

Requests to take action that would further or support a restrictive trade practice or boycott as defined in § 369.3 may be reported either individually or quarterly.

(1) *Single transaction report.*—If the report covers only a single transaction it shall be submitted to the Office of Export Administration within 15 business days from the date of receiving the request. This report shall be made on Report of Restrictive Trade Practice or Boycott Request, Form DIB-621P, revised November 1975 (earlier versions of Form IA-1014, DIB-621, or DIB-621P will not be accepted). Answers to all questions on the form are mandatory.

(2) *Multiple transactions report.*—Instead of submitting a report for each transaction regarding which a request is received, a multiple report may be submitted covering all transactions (other than those described in § 369.2, which must be reported individually) regarding which requests are received from persons or firms in a single country during a single calendar quarter. This report shall be made by letter to the Office of Export Administration no later than the 15th day of the first month following the calendar quarter covered by the report. If requests are received from persons or firms of more than one foreign country, a separate report shall be submitted for each country. Each letter shall include all of the following information:

- (i) Name and address of U.S. person or firm submitting report;
- (ii) Indicate whether the reporter is the exporter or a related service organization and, if the latter, specify role in the transactions;
- (iii) Calendar quarter covered by report;
- (iv) Name of country (ies) against which the request is directed;
- (v) Country where request originated;
- (vi) Number of transactions to which restrictions were applicable;
- (vii) The customer order number, exporter's invoice number, and letter of credit number for each transaction, if known;
- (viii) Type of request received. Attach a copy of each requesting document or other form of request, or a pertinent extract thereof;
- (ix) A general description of the types of commodities or technical data covered and the total dollar value, if known;
- (x) The number of requests the reporter has complied with or intends to comply with. If the reporter is undecided, he is required to submit a further report within 5 business days of making a decision. If the decision is to be made by another party involved in the export transaction, that party should be identified;
- (xi) Each letter submitted by a related service organization shall also include the name and address of each U.S. exporter named in connection with any requests received during the quarter. Following each name, affix the identifying numbers required in (vii) above, insofar as they are known. If this information is included in the copies of documents required by (viii) above, the separate listing may be omitted; and
- (xii) Each letter must include a signed certification that all statements therein are true and correct to the best of the signer's knowledge and belief and indicate the name and title of the person who has signed the report.

**§ 369.5. Effect of other provisions.**

Insofar as consistent with the provisions of this Part, all of the provisions of the Export Administration Regulations, including Parts 387 and 388, apply equally to the prohibitions and the reporting requirements set forth in this Part. Attention is called particularly to the provisions of § 387.11 under which pertinent records must be kept and made available for inspection for a two-year period, and to the administrative and criminal sanctions spelled out in § 387.1 for failure to comply.

LAWRENCE J. BRADY,  
*Acting Director, Office of Export Administration.*

FORM DIB-621P  
(REV. 11-75)U.S. DEPARTMENT OF COMMERCE  
DOMESTIC AND INTERNATIONAL BUSINESS ADMINISTRATION  
OFFICE OF EXPORT ADMINISTRATION  
WASHINGTON, D.C. 20250**REPORT OF RESTRICTIVE TRADE PRACTICE OR BOYCOTT REQUEST**  
(For reporting requests defined in § 369.3 of the Export Administration Regulations.)

- A. IMPORTANT.** It is the policy of the United States to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States. All U.S. exporters of articles, materials, supplies, or information, and related export service organizations, (1) are prohibited from taking any action, including the furnishing of information or the signing of agreements, that would have the effect of discriminating against U.S. citizens or firms on the basis of race, color, religion, sex, or national origin; and (2) are encouraged and requested to refuse to take any action, including the furnishing of information or the signing of agreements, that would have the effect of furthering or supporting other types of restrictive trade practices or boycotts against a country friendly to the United States.

  
Secretary of Commerce

- B. Reporting is MANDATORY.** See detailed instructions on back of form.

- C. CONFIDENTIAL.** Information furnished herewith is deemed confidential and will not be published or disclosed except as specified in Section 7(c) of the Export Administration Act of 1969 as amended (50 USC, app. 2406(c)).

1. Name and Address of U.S. Firm submitting this report:

Name:

Address:

City, State, &amp; Zip:

Telephone:

3. To the extent known, give:

Letter of credit no. \_\_\_\_\_

Customer order no. \_\_\_\_\_

Exporter's invoice no. \_\_\_\_\_

Other identifying marks or numbers \_\_\_\_\_

2. Are You: ☐ Exporter ☐ Bank  
(Check one) ☐ Insurer ☐ Shipper  
☐ Forwarder

☐ Other \_\_\_\_\_

If not exporter, give exporter's:

Name:

Address:

City, State, Zip:

5. Name of country initiating request:

4. Name of country(ies) against which request is directed:

6. Date request was received by me/us:

7. The party making the request is:

Address \_\_\_\_\_ City &amp; Country \_\_\_\_\_

8. Specify type of request received and attach copy of document in which it appears:

- a. ☐ Questionnaire d. ☐ Purchase order g. ☐ Published import regulation  
b. ☐ Invitation to bid e. ☐ Contract h. ☐ Cable or letter  
c. ☐ Trade opportunity f. ☐ Letter of Credit i. ☐ Consular request  
j. ☐ Other (Specify) \_\_\_\_\_

9. If the request relates to a specific transaction, describe the commodities or technical data involved. (The description of the commodity or technical data may conform to the description on the order or to usual commercial terminology, and may, but need not be, in terms of the Commodity Control List or Schedule B.)

Quantity

Description

Value

10. Additional Remarks:

11. Action:

- a. ☐ I/We have not complied and will not comply with the request for information or action described above.  
b. ☐ I/We have complied with, or will comply with, the request for information or action described above.  
c. ☐ I/We have not decided whether I/We shall comply with the request for information or action described above and I/We will inform the Office of Export Administration of my/our decision within 5 business days of making a decision.  
d. ☐ The decision will be made by another party involved in the export transaction. The name of that party is:

12. I certify that all statements and information contained in this report are true and correct to the best of my knowledge and belief.

Sign here  
in ink

(Signature of person completing report)

Type or  
print

(Name and title of person whose signature appears on line to left)

Date

file.

## INSTRUCTIONS

1. Each U.S. exporter or related service organization receiving a request to take any action, including the furnishing of information or the signing of an agreement, that has the effect of furthering or supporting a restrictive trade practice or boycott fostered or imposed by a foreign country not included in Country Group S, W, Y, or Z (see list below), is required to report the request to the Department of Commerce, and to transmit a copy of the document in which the request appears.
2. Reporting is mandatory (50 USC App. 2403(b)). Failure to comply subjects the recipient of a request to the penalties prescribed in Section (6) of the Export Administration Act of 1969, as amended (50 USC 2405).
3. This form must be submitted to the Office of Export Administration, Room 1617M, U.S. Department of Commerce, Washington, D.C. 20230, within fifteen (15) business days of receipt of a request.
4. See §369.4(b) (2) for instructions on submission of optional quarterly reports.
5. If a request would have the effect of discriminating against U.S. citizens or firms on the basis of race, color, religion, sex, or national origin, as defined in §369.2 of the Export Administration Regulations, it may not be reported quarterly but must be reported individually on Form DIB-630P, in accordance with §369.4(a) of the Export Administration Regulations. Do not use this form for reporting such requests.
6. Complete regulations, instructions, and examples of reportable requests are included in Part 369 of the Export Administration Regulations (15 C.F.R. Part 369). Reprints of Part 369 and additional supplies of this form are available without charge from the Office of Export Administration, Room 1617M, U.S. Department of Commerce, Washington, D.C. 20230, and from Department of Commerce District Offices.

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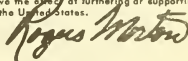
Destinations in the Country Groups referred to above are:

- Group S . . . . . Southern Rhodesia
- Group W . . . . . Poland
- Group Y . . . . . Albania, Bulgaria, Czechoslovakia, East Germany (German Democratic Republic and Soviet section of Berlin), Estonia, Hungary, Latvia, Lithuania, Outer Mongolia, the People's Republic of China, and the U.S.S.R.
- Group Z . . . . . North Korea, North Vietnam, South Vietnam, Cambodia, and Cuba.

**REPORT OF RESTRICTIVE TRADE PRACTICE OR BOYCOTT REQUEST THAT  
DISCRIMINATES AGAINST U.S. CITIZENS OR FIRMS ON THE BASIS OF RACE,  
COLOR, RELIGION, SEX, OR NATIONAL ORIGIN**

(For reporting requests defined in § 369.2 of the Export Administration Regulations)

- A. IMPORTANT.** It is the policy of the United States to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States. All U.S. exporters of articles, materials, supplies, or information, and related export service organizations, (1) are prohibited from taking any action, including the furnishing of information or the signing of agreements, that would have the effect of discriminating against U.S. citizens or firms on the basis of race, color, religion, sex, or national origin; and (2) are encouraged and requested to refuse to take any action, including the furnishing of information or the signing of agreements, that would have the effect of furthering or supporting other types of restrictive trade practices or boycotts against a country friendly to the United States.


Rogers Morton  
Secretary of Commerce**B. Reporting is MANDATORY. See detailed instructions on back of form.**

- C. CONFIDENTIAL.** Information furnished herewith is deemed confidential and will not be published or disclosed except as specified in Section 7(c) of the Export Administration Act of 1969 as amended (50 USC app. 2406(c)).

**1. Name and Address of U.S. Firm submitting this report:**

Name:

Address:

City, State &amp; Zip:

Telephone:

**2. Are You:**☐ Exporter ☐ Bank☐ Insurer ☐ Shipper☐ Forwarder☐ Other \_\_\_\_\_

If not exporter, give exporter's:

Name:

Address:

City, State, Zip:

**3. Date request was received by me/us:****4. Specify type of request received and attach copy of document in which it appears:**a. ☐ Questionnaired. ☐ Purchase orderg. ☐ Published import regulationb. ☐ Invitation to bide. ☐ Contracth. ☐ Cable or letterc. ☐ Trade opportunityf. ☐ Letter of Crediti. ☐ Consular requestj. ☐ Other (Specify) \_\_\_\_\_

- 5. If the request relates to a specific transaction, describe the commodities or technical data involved. (The description of the commodity or technical data may conform to the description on the order or to usual commercial terminology, and may, but need not be, in terms of the Commodity Control List or Schedule B.)**

Quantity

Description

Value

**6. Name of country initiating request:****7. The party making the request is:**

Name:

Address:

City &amp; Country:

**8. To the extent known, give:**

Letter of credit no. \_\_\_\_\_

Customer order no. \_\_\_\_\_

Exporter's invoice no. \_\_\_\_\_

Other identifying marks or numbers \_\_\_\_\_

**9. Additional Remarks:**

- 10. I certify that all statements and information contained in this report are true and correct to the best of my knowledge and belief.**

Sign here  
in inkType or  
print

Date

(Signature of person completing report)

(Name and title of person whose signature appears on line to left)



## INSTRUCTIONS

1. Each U.S. exporter or related service organization receiving a request to take any action, including the furnishing of information or the signing of an agreement, that would further or support a restrictive trade practice or boycott fostered or imposed by a foreign country against another country friendly to the United States that has the effect of discriminating against U.S. citizens or firms on the basis of race, color, religion, sex, or national origin is prohibited from complying with such request and is required to report the request to the Department of Commerce. A copy of the document in which the request appears must accompany the report.
2. Reporting is mandatory (50 USC App. 2403(b)). Failure to report subjects the recipient of a request to the penalties prescribed in Section (6) of the Export Administration Act of 1969, as amended (50 USC 2405).
3. This form must be submitted to the Office of Export Administration, Room 1617M, U.S. Department of Commerce, Washington, D.C. 20230, within fifteen (15) business days of receipt of a request.
4. If a request would further or support a restrictive trade practice or boycott fostered or imposed by a foreign country against another country friendly to the United States, but would not have the effect of discriminating against U.S. citizens or firms on the basis of race, color, religion, sex, or national origin, it must be reported on Form DIB-621P in accordance with § 369.4(b) of the Export Administration Regulations. Do not use this form for reporting such requests.
5. Complete regulations, instructions, and examples of reportable requests are included in Part 369 of the Export Administration Regulations (15 C.F.R. Part 369). Reprints of Part 369 and additional supplies of this form are available without charge from the Office of Export Administration, Room 1617M, U.S. Department of Commerce, Washington, D.C. 20230, and from Department of Commerce District Offices.

[Secretary's Circular No. 21]

SECRETARY OF COMMERCE,  
Washington, D.C., November 26, 1975.

To: Secretarial officers; heads of operating units.

Subject: Dissemination of trade opportunities which foster or impose restrictive trade practices or boycotts against another country friendly to the United States.

The purpose of this Circular is to prescribe the policy to be followed by all units of the Department of Commerce with respect to international trade opportunities which foster or impose restrictive trade practices or boycotts against a country friendly to the United States.

Section 3(5) of the Export Administration Act of 1969 provides in pertinent part that, "It is the policy of the United States (A) to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States, and (B) to encourage and request domestic concerns engaged in the export of articles, materials, supplies, or information, to refuse to take any action, including the furnishing of information or the signing of agreements, which has the effect of furthering or supporting the restrictive trade practices or boycotts fostered or imposed by any foreign country against another country friendly to the United States. . . ."

To further the intent of this Statement of United States policy, effective December 1, 1975, the United States Department of Commerce will not disseminate or make available for inspection any documents or any information on trade opportunities obtained from documents or other materials which are known to contain boycott conditions that seek to impose or foster a restrictive trade practice or boycott against another country friendly to the United States. Any such current documents or reports of information on trade opportunities which are in the custody of, or any such thereafter received by, the Department of Commerce shall be promptly destroyed.

To assist the Department of Commerce in the implementation of this policy, the Department of State has informed us that it is instructing all Foreign Service Posts henceforth not to forward any documents or any information on trade opportunities obtained from documents or other materials which are known to contain boycott provisions of the type mentioned above.

All Secretarial Officers and Heads of Operating Units having any responsibilities for the receipt, custody, or dissemination of information respecting trade opportunities, will issue appropriate directives to assure full compliance with this policy by December 1, 1975. The Assistant Secretary for Domestic and International Business is directed to establish the administrative procedures by which further cooperation between the Departments of State and Commerce can be implemented, to the end that the United States Government will not be disseminating any documents or information on trade opportunities obtained from documents or other materials known to contain boycott provisions.

ROGERS MORTON,  
*Secretary of Commerce.*

Mr. BINGHAM. Thank you very much, Mr. Secretary.

#### SIGNIFICANCE OF NEW REGULATIONS

Could you develop a little bit the significance, as you see it, of the regulations that were issued recently, and which you describe on page 4 of your statement.

Mr. BAKER. Are you referring to the regulations issued by the Department of Commerce on November 26, or those that were issued and announced by the President on November 20?

Mr. BINGHAM. Both.

Mr. BAKER. The regulations that we issued, the issuance of which was announced by the President on November 20, were twofold in nature.

The first was a direction to prohibit exporters from complying with any boycott-related request which involved discrimination against American firms, or Americans on the basis of religion or ethnic origin.

The second was to require reporting by service organizations which had not heretofore been required to report to the Department instances in which they were approached with a boycott request.

The regulations that were promulgated by the Secretary of Commerce, effective December 1, had to do with the practice theretofore pursued by the Department of disseminating information obtained with respect to trade opportunities where, at the time that the information was obtained, it was known that there were boycott requests related to that trade opportunity.

Mr. BINGHAM. All you have done, in your answer, is repeat what you have said on pages 3 and 4 of your statement. Is there anything that you can add to that?

I would be interested to know, for example, if this was at all significant, why were these things not done before?

I appreciate the fact that you have only recently come on the scene, but can you give us an answer; or can either of your associates indicate why this was not done before.

#### REGULATIONS ARE RESULT OF INTERAGENCY REVIEW

Mr. BAKER. I think, Mr. Chairman, that these regulations were issued in response to a concern expressed by the President back in March, which resulted in an interagency review of Arab boycott related matters by all of the executive branch agencies.

I cannot speak for the practice that was followed prior to the time that I came to the Department.

Mr. BINGHAM. Mr. Biester.

Mr. BIESTER. Thank you, Mr. Chairman.

#### DETERMINING DISCRIMINATION AGAINST AMERICANS

Can you give us some idea of how the Department will determine whether particular acts of cooperation, or requests for cooperation with an embargo do, or do not, cause discrimination against American persons or firms?

Mr. BAKER. As I understand it, when the report of the boycott request is received, if the request is of a certain nature, such as, do you have persons of the Jewish faith on your board of directors, questions of that nature, they will be deemed to involve discrimination on religious or ethnic grounds, and would be referred to the Department of State and the Department of Justice.

The regulations now prohibit responding to such a request and it is the wording of the boycott request, I think, that will determine whether or not it is a request directed at the discrimination issue on the one hand, as opposed to the economic boycott of Israel issue on the other.

#### IMPACT OF NEW REGULATIONS ON BOYCOTT

Mr. BINGHAM. Do you think that these new regulations will have any impact on the boycott?

Mr. BAKER. I don't think that they will have any impact on the continuation of the boycott by the Arab nations. I think that they will have an economic impact on some firms in this country, which will no longer have available certain trade opportunities which they might

otherwise have gained knowledge of through the Department's dissemination of information about those opportunities.

But it has taken the Government out of the chain, and I think that this is the principal reason that the regulations were issued, and the policy was changed.

Mr. BINGHAM. I certainly would like to say, as to that, that it seems to me that it was previously quite inconsistent for the Government to circulate trade opportunities in the countries that were carrying on the boycott, and at the same time indicate that it was against the U.S. policy for companies to cooperate with the boycott.

#### WOULD ARAB COUNTRIES STOP TRADE WITH UNITED STATES?

Now on page 9 of your statement, it seems to me that what you are assuming there is that if it were possible, through legislation or otherwise, to persuade all American concerns to refuse to supply information or respond to these questionnaires of the boycotting countries, that then the Arab countries would stop doing business with American firms at all.

Do you really think that this is a realistic assumption?

Mr. BAKER. No, sir. I don't mean to say that there would be a total end of trade with the Arab countries, but I think that the impact would be substantial.

Mr. BINGHAM. If all American concerns were refusing to cooperate, then to the extent that the Arab countries reacted to that at all, they would be denying themselves access to the American business community, wouldn't they?

Mr. BAKER. Yes, they would.

We believe that except for certain high technology items, they can get everything we can offer them, from other sources abroad.

Mr. BINGHAM. Mr. Biester.

Mr. BIESTER. Thank you, Mr. Chairman.

#### DISTINCTION BETWEEN "DISCRIMINATION" AND "BOYCOTT"

I think that it is useful to distinguish between the two kinds of conduct that we are talking about here, and I will try, in the course of my questions, to distinguish between discrimination and boycott.

I am going to use the word "boycott" for the economic boycott of one belligerent against another, and discrimination to reflect the concern with respect to the human rights of American citizens.

Now with respect to discrimination, that is a matter based, as I understand it, entirely upon the national origin, religion, or race of an American citizen. Is that correct?

Mr. BAKER. That is correct.

#### ADMINISTRATION OPPOSED TO DISCRIMINATION

Mr. BIESTER. There is no ambiguity, as I understand it, with respect to the administration's position on that issue, is there?

Mr. BAKER. No, sir.

Mr. BIESTER. It is not only that the administration has deplored this, but has issued regulation against?

Mr. BAKER. Yes; that is correct, to prohibit any responses to those types of requests.

Mr. BIESTER. If an Arab businessman were buying from an American company, and submitted a questionnaire which asked for information on whether any stockholders were Jewish, or any persons who worked in any high positions were Jewish, or if a service company, a bank or forwarder, or anything else, were asked this question, under these regulations and under our law and your policy of enforcement, they would be prohibited from answering. Is that correct?

Mr. BAKER. That is correct.

#### TOTAL NUMBER OF BOYCOTTS IN THE WORLD

Mr. BIESTER. Now with respect to the boycott, how many such boycotts are there in the world today?

Mr. BAKER. How many nations are participating in the boycott?

Mr. BIESTER. We are talking about the boycott as though there were only one boycott. How many boycotts are there?

Mr. BAKER. I am not sure that I can answer your question, Congressman, but there are a lot of other boycotts other than the Arab boycott of Israel.

Mexico will not trade with Spain. Pakistan will not trade with a number of countries. There are black African countries that will not trade with South Africa. The United States has not been free of boycotts, and there are some countries that the United States will not trade with.

Mr. BIESTER. This is what I wanted to get into.

#### DISTINCTION BETWEEN PRIMARY AND SECONDARY BOYCOTTS

Mr. BINGHAM. Isn't there a difference between primary boycotts in this regard, and secondary boycotts? Do we impose any secondary boycotts?

Mr. BAKER. I believe that we have tried secondary boycotts as far as Cuba is concerned. I am not sure that we still are in that posture, Mr. Chairman.

Mr. BIESTER. There was amendment language, Mr. Chairman, in one measure which lasted. I believe, for 1 appropriation year, or several months in the appropriation year, dealing with the secondary boycotts on North Vietnam. I may be wrong about that, but I know that this was an issue at one time, about 1968 or 1969. Whether that actually became law or not, I don't know.

Mr. WHALEN. Would you yield?

We have to distinguish here again between foreign assistance to which this applied, and the right of another country to engage in commerce with North Vietnam.

In other words, if I recall the amendment, both with respect to Cuba and North Vietnam, and third countries, we would not give them foreign aid, but I don't think that we prohibited them from selling us, or our businessmen from selling them.

Mr. BAKER. I don't know whether the requirement that no goods going into Cuba can touch the U.S. shores is a primary or secondary boycott, or whether the object of the boycott is the supply—a third country supplying those goods.



If that is a secondary boycott, we certainly engage in that, Mr. Chairman.

Mr. BIESTER. With respect to the boycott by Mexico of Spain, or Pakistan—

Mr. BAKER. Pakistan and India boycott several other countries, one of which is Israel, but I am not sure I know the others, and also Taiwan.

Mr. BIESTER. That does not involve a secondary boycott, does it?

Mr. BAKER. I cannot answer that question.

Mr. BIESTER. Can we have an answer for the record at some point?

Mr. BINGHAM. If the gentleman will yield.

There is a clear distinction here. The secondary boycott, as I understand it, would be that we would try to prevent concerns, or that Mexico would try to prevent concerns with which it does business, from also doing business with Spain. That would be a secondary boycott. Is that right?

Mr. BIESTER. Yes; that is the thrust of my question.

#### STATEMENT OF PETER HALE, DIRECTOR, COMMERCE ACTION GROUP FOR THE NEAR-EAST, BUREAU OF INTERNATIONAL COMMERCE, DEPARTMENT OF COMMERCE

Mr. HALE. There is another part to that. Perhaps I can clarify it. Arab countries, Pakistan, Mexico, and others would have a secondary boycott if they did not accept any goods containing components of the countries they boycott. It would be secondary again—

Mr. BIESTER. How would they know that there were any Taiwanese components, or Spanish components?

Mr. HALE. I guess that you have to certify that there are none.

Mr. BIESTER. From the chairman's question, and what I have said so far, perhaps you have enough to submit a written response to this, for the record, in terms of secondary boycotts, primary boycotts, and what steps are required on the part of American businessmen and services companies with respect to any of those.

Mr. HALE. Correct.<sup>1</sup>

Mr. BAKER. May I say, it is my recollection and my understanding that the United States, up until very recently, prohibited any U.S. subsidiaries in friendly countries from selling goods to Cuba.

We have just recently relaxed this.

Mr. BIESTER. I have kept an eye on the clock, and I have passed my 5 minutes.

Mr. BINGHAM. Mr. Whalen.

Mr. WHALEN. Thank you, Mr. Chairman.

#### BOYCOTT QUESTIONNAIRES

Just pursuing the point raised by Mr. Biester, to reiterate, your regulations prohibited companies from responding to questionnaires which request information concerning the race, creed, national origin, religion of the officials of a company, or employees, and so forth.

Mr. BAKER. Yes.

<sup>1</sup> The information referred to appears on p. 227.

Mr. WHALEN. Your concern, then, is that we also prohibit responses to such questions as, "do you trade with Israel?" You would not like to see legislation of that kind enacted.

Mr. BAKER. No, sir, we wouldn't.

Mr. WHALEN. Supposing that the questionnaire had both, and I think that it probably does, doesn't it?

Mr. BAKER. I think only in roughly 25 instances that we are aware of, have there been such cases. In those instances, we go ahead and refer those to State and to Justice as if they were discrimination requests.

#### ADMINISTRATION IS "CRACKING DOWN" ON REPORT VIOLATIONS

Mr. WHALEN. The law presently requires that a company receiving such a form advise the executive branch. I remember that to the question that I posed some months ago, the spokesman for the executive branch indicated that there had been very few instances in which any transgressions were uncovered.

As I recall, since that time, there have been four firms, including one company in my district, that have been found guilty of violating, or failing to report.

Mr. BAKER. 226 was the number of firms warned to date for failure to report.

Mr. WHALEN. When did this emerge?

Mr. BAKER. Since March.

Mr. WHALEN. It is evident now that you are beginning to crack down.

Mr. BAKER. That is right.

Mr. WHALEN. What was the figure prior to that time?

Mr. BAKER. We don't have an exact figure, Congressman. We had notified a number of firms in the years prior to that, but the enforcement is considerably more active now.

Mr. WHALEN. So 226 have been resolved. Have most of these companies conceded their failure?

Mr. BAKER. These 226 cases have been resolved through warnings, inasmuch as they were first-offense cases of failure to report through inadvertence or ignorance of the reporting requirements. Four cases, as I indicated, resulted in fines, and two cases are still pending.

Mr. WHALEN. I am being a bit redundant here, because you have already made that point, but coming in late, I have not had a chance to read your testimony.

But the law stops there, and what the company does after that, after reporting, is, in effect, immaterial.

#### COMPANIES MUST REPORT INTENTION TO COMPLY

Mr. BAKER. No, sir. One of the steps that we have taken, which I stated earlier, and which is mentioned in my statement, is that we now require the firm reporting the boycott request, to tell us whether they are going to comply with it, or not comply with it.

Mr. WHALEN. But it stops there?

Mr. BAKER. Right.

Mr. WHALEN. Thank you, Mr. Chairman.

Mr. BINGHAM. Would it be a fair interpretation of the new regulations that were announced by the President that what is prohibited is compliance with only those aspects of the secondary boycott, which require the furnishing of information regarding the race, color, religion, or national origin of U.S. firms, subcontractors, and personnel who might be sent abroad?

Mr. BAKER. That is correct.

The regulations that were announced by the President's statement treat the discrimination aspect of the issue, although they do broaden the reporting requirements of both discrimination and boycott to the service organizations.

#### CIRCULATION OF TRADE OPPORTUNITIES

Mr. BINGHAM. I also understand that you have changed the practice with regard to the circulation of trade opportunities.

Mr. BAKER. That is correct, sir.

Mr. BINGHAM. Except for that part of the new regulations, I don't see how this strengthens the implementation of what was previously declared to be the policy of the U.S. Government of opposition to the boycott against firms that do a substantial amount of business with Israel.

#### NEW REGULATIONS WILL NOT END ARAB BOYCOTT

Mr. BAKER. Well, sir, I don't believe that we would suggest that the steps outlined here are—that any other steps have been taken. I think those are the steps, and I think that we would argue that they have been, and will be, reasonably effective.

I don't think that we say that they will stop the Arab boycott. Our position is that they will not. Nor do we think that prohibiting American firms from even answering a boycott question would stop the Arab boycott.

Mr. BINGHAM. That is another question, but let us get at it this way.

#### BOYCOTT'S IMPACT ON AMERICAN BUSINESS WITH ISRAEL

Can you generalize to us? I know that the specific information is confidential that you received, but can you generalize to us as to the degree to which American firms are refusing to do substantial business with Israel because of the impact of the Arab boycott?

Mr. BAKER. I don't believe that we have any exact figures on that, Mr. Chairman. We do have exact figures that would tend to show that our exports, both to the Arab countries and the State of Israel, have continued to rise.

It is our opinion that there has not been a diminution of business done with the State of Israel as a result of the boycott.

Mr. BINGHAM. That might be, but it still might be true that a number of businesses that would be interested in doing business with Israel, are not.

Mr. BAKER. As a hypothetical case—we don't have anything that proves that negatively.

Mr. BINGHAM. Up until now, your reports have not asked them whether they are going to comply with the boycott?

Mr. BAKER. Yes, the reports have. We have always had an optional question on that which they were not required to answer.

Mr. BINGHAM. I think you said that not many firms answered on the optional basis.

Mr. BAKER. The issue, most frequently, is not compliance with the boycott, but whether they are going to comply with the request for information.

In other words, if the company is asked: "Do you have a subsidiary in Israel?" the company might report: "Yes, we are going to answer that question in connection with that trade opportunity." The company may, as I have earlier stated, never have had a subsidiary in Israel, Georgia, Tennessee or Florida.

Mr. BINGHAM. Even now, even under the new regulations, you really will not know if they are impacted by the boycott, or whether they intend to comply with it.

Mr. BAKER. No, sir.

As Mr. Hull was pointing out, in some instances, the questions will go so far as to say: "Will you certify that you will not do any business with Israel," or something like that. In that instance, we could tell, when they answered the question on the form, whether the boycott is having an impact or not on trade with Israel.

Mr. BINGHAM. Would you repeat that again?

Mr. BAKER. On occasion you will have a question, and the question will be to the effect, "Will you certify, as a condition of receiving this contract, that you do not do business with Israel."

Mr. BINGHAM. That is rare.

Mr. BAKER. That is rare, but if that were the type of question, then we would know, if the firms tell us that they are going to comply with the boycott request, whether it will impact upon Israel or not. I should, note, however, that even where a firm certifies that it will not trade with Israel, it does not necessarily mean that it would otherwise have done so.

Mr. BINGHAM. An affirmative answer to a request by the company, which was then submitted to you, would that be a violation of the new regulations?

Mr. BAKER. No, sir.

Mr. BINGHAM. Mr. Biester.

Mr. BIESTER. Thank you, Mr. Chairman.

#### POSSIBLE ANTITRUST VIOLATIONS

Mr. BAKER. Excuse me, Mr. Chairman, not unless there were some antitrust violation.

Mr. BINGHAM. Antitrust or antidiscrimination?

Mr. BAKER. Either one. We are assuming that it is not a discrimination question. So our regulations are not prohibiting answering.

Even as a secondary boycott of Israel question, it may contain some information that would lead one to believe that it involves violations of U.S. antitrust laws. With respect to those, the Justice Department has access to the reports.

So, my answer to your question will have to be qualified to that extent.

Mr. BINGHAM. That is very interesting.

Can you, or your associates, tell us what kind of violations would be involved?

**STATEMENT OF RICHARD E. HULL, ASSISTANT DEPUTY GENERAL COUNSEL, DOMESTIC AND INTERNATIONAL BUSINESS ADMINISTRATION, DEPARTMENT OF COMMERCE**

Mr. HULL. If the company were asked to certify, as a condition to getting a contract, not only that the goods are not the product of company XYZ, another American company, but that this company will not do business with company XYZ in the future, company XYZ being another American firm that is being blacklisted by the Arabs, that kind of certificate guaranteeing that the company will cease to do business with the other American company, would raise serious antitrust implications.

The President, in his statement of November 20, which you have a copy of, mentions that the Justice Department is seriously investigating whether such commitments are being made.

Mr. BINGHAM. Those antitrust implications would not arise if the other company referred to were an Israeli company?

Mr. HULL. As I understand it, and I am not an expert on antitrust, but as I understand it, in terms of the Justice Department's concern, it is primarily oriented toward the boycotting by one American firm of another American firm in order to comply with the boycott.

There again, I think that it should be made clear that if a company is asked, "Do your products contain any components of company XYZ," the company might answer that in the negative, and the answer might be one that would be totally irrelevant to any antitrust consideration.

Mr. BINGHAM. I understand.

Mr. BIESTER. Thank you, Mr. Chairman.

Following on, you might have a pattern of activity by a company dealing regularly with Pakistan, and certifying that there are no Taiwanese components in this particular product, in order to retain primary business in Pakistan.

It may be interested in making sure that it can always answer the question and certification about Taiwanese components successfully. Therefore, it might be engaged in a kind of activity which would be in restraint of trade.

Mr. HULL. It could be. I think, probably again, that the Justice Department would be more qualified to answer that than I could.

It could be that if that particular company affected the market in a substantial manner, that any commitment not to provide business for the particular country, could be a violation of our antitrust laws.

**THE BOYCOTT AND INTERNATIONAL LAW**

Mr. BIESTER. What is the status of the concept of boycott in international law?

Mr. BAKER. I am not an international lawyer, Congressman. It is my understanding that economic boycotts are not prohibited under international law.



Mr. WHALEN. Economic boycotts, but what about secondary boycotts?

Mr. BAKER. I don't believe that there would be a distinction between a secondary and a primary.

Mr. BIESTER. So, at least, as far as you know, the activity of the Arabs with respect to the boycott as distinguished from discrimination is consistent with generally recognized principles of international law?

Mr. BAKER. As far as we know, it does not violate international law. As the statement pointed out, there are no other countries that have legislated against this boycott, and it is a worldwide boycott.

#### IMPACT OF BOYCOTT ON ISRAEL'S ECONOMY

Mr. BIESTER. As a practical matter, again I do not want to be in the position to try to fish out of you what is in the reports, and who is reporting, and all the rest of that, it is not my purpose at all.

My purpose is to discern whether, in fact, as far as the line that the chairman pursued, you can tell from the reports that you have gotten, from your look at investment trade, and all the rest, whether there has been, as a result of this Arab boycott, any substantial impact on either the development of the Israeli economy, or the relationship of American business community with the State of Israel.

I know that I am asking you to try to demonstrate a negative, and that is very difficult to do.

Mr. BAKER. The Israeli Ambassador has described it to me as an irritant, when he called on me a month and a half ago.

It is our view, Congressman, that the boycott has not been very effective as far as reducing or shutting off trade to Israel.

I think that the figures that I cited a moment ago, concerning the continuing increase in our exports to both Arab countries and Israel, would indicate that it has not been effective in terms of our trade with Israel.

I don't know the extent to which it might have been effective in terms of other countries trading with Israel.

#### ARMS TRADE WITH BOTH ISRAEL AND ARAB STATES

Mr. BIESTER. It seems to me that I can think of instances off the top of my head, where major American companies that deal, obviously, publicly with both principal Arab States and Israel on a regular basis.

Mr. BAKER. That is correct.

Mr. BIESTER. The product they sell is perhaps one of the most sensitive ones that one can think about in terms of belligerence because it is arms. Certainly it has not impeded the Arabs in terms of dealing with those countries.

Mr. BAKER. No, sir. Of course, the boycott does not affect government-to-government sales of military equipment.

Mr. BIESTER. Jet fighters.

Mr. BAKER. I know, but it has not impeded Israel in terms of receiving military equipment from the United States.

Mr. BIESTER. So you must have in your files a history of many companies doing business both with Arab countries and with Israel on a consistent day-by-day, month-by-month, year-by-year basis.

Mr. BAKER. Yes, sir.

Mr. BIESTER. Now do these companies answer the boycott questionnaires?

Mr. BAKER. Yes, sir. They report to us when they receive a boycott request.

Mr. BIESTER. Do they answer the questions?

Mr. BAKER. They are now required to, as of October 1.

Mr. BIESTER. Do you know whether before that time they were in the practice of answering the question?

Mr. BAKER. Before that time, it was optional. Most of them did not answer the question as to whether they intended to comply with the boycott requests or not.

Again, I would like to emphasize that answering the boycott request does not necessarily involve participation in the boycott, but whether or not they intend to answer the boycott request questions.

I might also say, for the record, that a significant part of sales of military equipment, as far as this country is concerned, is handled by the Department of Defense. We have no records that would give you any information regarding defense items.

Mr. BIESTER. One last question, Mr. Chairman. Again, I know that I am taxing my time.

It seems to me that the people who would have the greatest problem with antitrust problems, are the service companies, because they have to be dealing on a basis with either a product company or sales company.

It seems to me that they would be in the greatest difficulty with potential antitrust problems. Don't you think so?

Mr. BAKER. I agree.

Mr. BINGHAM. Mr. Whalen.

Mr. WHALEN. Thank you, Mr. Chairman.

#### A BOYCOTT SCENARIO

We had great interests in South Vietnam. Supposing that countries opposing our involvement in South Vietnam got together, let us say, France, Sweden, and Russia, and they queried particular American investors, or exporters, as to whether or not they did business with South Vietnam. What would have been the response of our Government, in view of the great security interest we had in that country?

Mr. BAKER. I think—

Mr. WHALEN. By your theory, it would have been all right?

Mr. BAKER. One response would not have been to prohibit those companies from trading with the countries asking the questions. It seems to me that it would work the other way.

Mr. WHALEN. Would you not have said to those companies, in light of your response today, "Well, this is a legitimate action on the part of France, Russia, and Sweden, and other countries, cutting you off because of that involvement."

Mr. BAKER. This would have been a restrictive trade practice by a foreign country against another country friendly to the United States, that is South Vietnam.

Mr. WHALEN. Was this ever attempted by any countries?

Mr. BAKER. Not as far as I know.

Mr. WHALEN. As I understand the position, then, you think that it is perfectly legitimate for countries to not only inquire of American firms as to whether or not they deal with a country that is friendly to us, but also refuse to permit them to do business, if they do.

Mr. BAKER. I don't think that this is our position.

Our position is that we do not favor this boycott. We, in fact, deplore the boycott, but we think that there are legitimate interests for the United States which would override any mandatory prohibition of compliance directed at U.S. businesses.

#### SERIOUS FOREIGN POLICY CONSIDERATIONS

These are not solely economic considerations. They involve the foreign policy, the serious foreign policy questions, and in our view involve the principal issue of peace in the Middle East.

Mr. WHALEN. You think that this would disrupt it?

Mr. BAKER. We think that it would go a long way toward making it a lot more difficult for this country in being instrumental in trying to effect peace in the Middle East. Yes, sir. We think that it would be interpreted by the Arab countries——

Mr. WHALEN. Isn't the issue the question of whether a company answers the questionnaire or does not?

Mr. BAKER. That is all it is.

Mr. WHALEN. You say, "Go ahead and answer it."

Mr. BAKER. We say: "You are requested and encouraged not to answer it." That is what section 3(5) of the Export Administration Act provides.

Mr. WHALEN. Let me close, Mr. Chairman, by giving you a personal experience.

#### PERSONAL EXPERIENCE WITH BOYCOTT

During the summer congressional recess, I took my wife and my six young children on a private tour. This tour was arranged through my own travel agent in Dayton, Ohio, who happened to be, incidentally, of the Jewish faith.

The schedule was such that I had to go to Israel prior to visiting an Arab country. My travel agent said: "Now be sure, when you go to Israel, that they don't stamp your passport, that they just stamp a piece of paper." I said, "OK."

Upon debarking in Tel Aviv, I remember that, and gave my eight passports to the official there at immigration, and I said: "Don't stamp them." He was courteous, but I could just sense that he was irritated.

The more I got to thinking about it, the more I realized that he should have been irritated. By what right do I go up and say: "Look, don't stamp this passport, because, in effect, I am going to an Arab country."

I got to thinking a little bit about my own part in this action. I, too, became irritated because I played a part in embarrassing, and indeed degrading a representative of a friendly nation.

Mr. BAKER. It depends on which one you go to first. It depends on what your route is. If you are going to an Arab country first, or to Israel first.

Mr. WHALEN. I don't think that Israel has ever denied my entrance.

Mr. BAKER. The reason that I said that is because it happened to me on my way to Rhodesia, and I had the very same experience.

Mr. WHALEN. Let us say that it concerned me.

Thank you, Mr. Chairman.

Mr. BINGHAM. I thank you, Mr. Secretary.

#### NEW REGULATIONS HAVE NO GREAT SIGNIFICANCE

I might just comment that I am frankly disappointed. I thought, when they were first announced, that the regulations were of greater significance than I now believe they are. I don't think that they are going to have much of an impact on the boycott.

The way that you describe them and limit them, it seems to me that they probably only prohibit things that were already prohibited under American law. If they were not prohibited, they should have been, years ago.

Mr. BAKER. They were not. Maybe they should have been.

Mr. BINGHAM. Any further questions?

Mr. BIESTER. No.

Mr. BINGHAM. Thank you very much.

The subcommittee is in recess.

[Whereupon, at 4:20 p.m., the subcommittee adjourned, subject to call of the Chair.]





## APPENDIX

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### BANKING BULLETIN 75-3, ISSUED BY THE ADMINISTRATOR OF NATIONAL BANKS, CONCERNING DISCRIMINATORY PRACTICES

BANKING BULLETIN 75-3

THE ADMINISTRATOR OF NATIONAL BANKS,  
*Washington, D.C., February 24, 1975.*

To: Presidents of all national banks.  
Subject: Discriminatory practices.

This Office has recently learned that some national banks may have been offered large deposits and loans by agents of foreign investors, one of the conditions for which is that no member of the Jewish faith sit on the bank's board of directors or control any significant amount of the bank's outstanding stock. While we are not presently aware of any such deposits or loans, so conditioned, having been accepted by any of the banks under the jurisdiction of this Office, we are concerned that all national banks scrupulously avoid any practices or policies that are based upon considerations of the race, or religious belief of any customer, stockholder, officer or director of the bank.

One of the major responsibilities of this Office is to insure that each national bank meets the needs of the community it was chartered to serve. While observing those credit and risk factors inherent to the banking business, all the activities of all national banks, indeed of all banks regardless of the origin of their charters, must be performed with this overriding principle of service to the public in mind. Discrimination based on religious affiliation or racial heritage is incompatible with the public service function of a banking institution in this country.

By means of its regular examination function, this Office will assure the adherence of national banks to a nondiscriminatory policy in the circumstances mentioned, as well as in any other respect where racial or religious background might similarly be placed in issue. This Office is confident that it has the full understanding and cooperation in this effort of the banks in the national system.

Very truly yours,

JAMES E. SMITH,  
*Comptroller of the Currency.*



الغرفة التجارية والصناعية  
بجدة - المملكة العربية السعودية

CHAMBER OF COMMERCE & INDUSTRIES

JEDDAH

Saudi Arabia Kingdom

Issued in 1970

وليد

الشركات والمؤسسات الأجنبية المحظور التعامل معها

DIRECTORY OF BOYCOTTED  
FOREIGN COMPANIES AND ESTABLISHMENTS



الاسم	العنوان	الاختصاص	ملاحظات
( A )			
<ul style="list-style-type: none"> <li>● A. C. D. SALES CO. INC.</li> <li>● A. C. S. INDUSTRIES INC.</li> <li>● ADAMS CARBIDE CORP.</li> <li>● وفرعها بنفس الاسم في مونتسجان</li> <li>● AIR ELECTRIC CORP. OF NEW YORK &amp; TEL AVIV N. Y. C.. N. Y.</li> <li>● AJAX ELECTRIC MOTOR OF ROCHESTER N. Y.</li> <li>● ALED ORIGINALS LTD.</li> <li>● ALBUMINA.</li> <li>● ALL STATE ENTERPRISES.</li> <li>● ALL STATE INSURANCE CO. ( ILL )</li> <li>● ALL STATE FIRE INSURANCE CO. ( ILL )</li> <li>● ALL STATE INSURANCE INT. S. A.</li> <li>● ALL STATE LIFE INSURANCE CO.</li> <li>● ALVA MEUSEUM REPLICAS INC.</li> <li>● واسمها التجاري</li> <li>● ALVA STONE — ALACAST.</li> <li>● ALWEG RAPID TRANSIT SYSTEMS OF WASHINGTON STATE INC.</li> <li>● AMERICAN ASSOCIATES.</li> <li>● والمعروفة باسم :</li> <li>● UNITED ASSOCIATES OF NEW YORK.</li> <li>● THE AMERICAN BILTRITE RUBBER CO. INC.</li> <li>● سابقا كانت تعرف باسم :</li> <li>● RUBBER CO. OF CHELSEA. MASS.</li> <li>● AMERICAN BOX SHOOK EXPORT ASSOCIATION.</li> <li>● AMERICAN COMMITTEE FOR BAR — ILAN UNIVERSITY IN ISRAEL INC.</li> </ul>	<p>71, Villanova &amp; Florence Drive, Woonsocket Rhode — Island — U. S. A.</p> <p>141 Market St., Kenilworth N. Y.</p> <p>1410 Broadway N. Y. 18 N. Y.</p> <p>82 Beaver St., N. Y., N. Y. C.</p> <p>140 West 22Nd. St. New York 11.</p> <p>1900, Fifth Ave. Seattle 1, Washington.</p> <p>22 Willow St. Chelsea, Mass.</p> <p>620 Market St. San Francisco, Calif—ornia.</p> <p>641 Lexington Avenue New York N. Y. 10022.</p>	<p>صناعة الاسفنج والبالستيك واندج السليكون</p> <p>صناعة ادوات وقوالب عدم الاضاءة تصدير</p> <p>تجارة الملابس الصوفية للسيدات استخراج الفوسفات</p> <p>متخصصة في صناعة القوالب والتحت للمتاحف</p> <p>بناء المساكن في اسرائيل والاشراف عليها</p> <p>اتمام احذية مطاط</p> <p>استيراد وتصدير</p> <p>منظمة</p>	



الاسم	العنوان	الاختصاص	ملاحظات
● AMERICAN COMMITTEE FOR BAR — ILAN UNIVERSITY.	17596 Wyoming Avenue Detroit 21, Michigan.	منظمة	
● AMERICAN CONTINENTAL ASSOCIATION INC.	11 West 42Nd St., New York New York 16 N. Y.	عمليات اصدار بطاقات الامريكيين والاجانب تخول حاملها حق الشراء على الحساب صناعة ادوات ولوازم طب الانسان .	
● AMERICAN DENTAL MANUFACTURERS ( DENTAL MANUFACTURERS OF AMERICA ).	Commercial Trust Bldg — Philadelphia Pennsylvania.		
● AMERICAN DOLL & TOY CO.			
● AMERICAN DOLL CO. INC.			
● AMERICAN ELECTRIC LABORATORIES INC.	121, N. 7Th St., Philadelphia 6. Penn.	صناعة المواد الالكترونية	
● AMERICAN ELECTRIC POWER CO. INC.	2 — Broadway, New York N. Y. — U. S. A.		
● AMERICAN ELECTRIC POWER SERVICE CORP.		تقوم بتوليد وتوزيع الكهرباء	
● AMERICAN ISRAEL BASIC ECONOMY CORP. ( AIMBEC ).	30 Rockefeller Pleza 10Th Flr. New York 22.	تشجع رؤوس الاموال الاجنبية للاستثمار في اسرائيل للاستثمارات المحلية	
● AMERICAN & ISRAEL MANAGEMENT CORP.			
● AMERICAN — ISRAEL CULTURAL FOUNDATION.	2 West 45Th. Street, New York 30, New York.		
● THE AMERICAN ISRAEL GAS CORP. LTD. ( AMISRAGAS ).	مكتبها الرئيسي بمدينة نيويورك :	منتجات البترول	
● AMERICAN — ISRAEL PHOSPHATES CO.		للتقيب عن البترول	
● AMERICAN — ISRAEL SHIPPING COMPANY. وتعرف ايضا باسم : ISRAEL — AMERICAN SHIPPING CO.			
● AMERICAN ISRAEL WORLD'S FIRE CORP.			
● AMERICAN LATEX PRODUCTS.	3341 W. E. L Second Blvd Hanthorne, California.		
● AMERICAN LEVANT MACHINERY CORP.	25 West 23 St. N. Y.	ادوات الزراعة	
● AMERICAN MEDITERRANEAN CORP.	175 Fifth Ave. N. Y. 19 N. Y.	تجارة الملابس	
● THE AMERICAN — PETROLEUM PRODUCTS CO. INC.	330, 4Th Ave. N. Y. C.	البترول	

الاسم	العنوان	الاختصاص	ملاحظات
● AMERICAN TECHNION SOCIETY.	1000 Fifth Ave. New York. N. Y. 10028.	جمعية	
● AMERICAN PRECIOUS STONES	55 — Liberty Street New York		
● AMERICAN ROLAND FOOD CO.	5 — New York.		
● AMERICAN RUBBER & CHEMICAL CO.	22 — Hudson Street New York		
● AMERIN SHIPPING CORP.	13 N. Y.		
● AMES COMPANY INC.	4500 Campground Road Louis Ville Kentucky	أعمال الوكالة	
● AMES INTERNATIONAL INC.	Public Lefger Building PhiladePhia. Pen — U. S. A.		
● AMPAL AMERICAN JERAEI CORP.	Elkhart		
● AMEREX TRADING CORP.	في مدينة :		
● ANDORA INC.	بولاية انديانا :		
● ANDER PROST	في مدينة :		
● ANGLO TEX. INC.	بولاية انديانا	تبريل واستثمر	
● ANN MARIE SPORTS-WEAR INC.	100 — 11 Astoria Blvd. Corona. L. I. New York.	الاستيراد وتمثيل المصانع	
● A. PLEIN & CO. INC.	Delaware.	استيراد وتصدير	
● A. ASCH CO.	1407 — Broadway New York 18 — N. Y.		
● ACCURATE MANUFAC-TURING CO.	11 West 42Nd St., N. Y.	أعمال الوكالة والسميرة	
● ADMIRATION.	36 N. Y.	للمشروبات الروحية	
● ADVANCE STORES CO.	375 — Park Avenue, New. York 10022.		
● AEROSPACE SYSTEMS DIVISION.	44Hepworth Place Garfield New Jersey.	ماركة تتعدى أعمال البيع بناجيلة والمفرق لقطع غيار السيارات والراديوهات أجهزة الفضاء الخارجي	
● AINSBROOKE CORP.	802 Kern Ave., Roancke Virginia.		
● AIR — VUE PRODUCTS CORP.	وعنوان المقر الرئيسي :		
● ALL STATES MANAGE-MENT CO.	Bedford Street. Crossroads Rount 62 And Route 3.		
● ALLIED BIRD CO.	Burlington Massachusetts — 01801 P. O. Box 588.		
● AMERICA & ISRAEL GROWTH FUND INC.		الصناعة	
		الأعمال المالية	

الاسم	العنوان	الاختصاص	ملاحظات
● AMERICAN BANK & TRUST.	70 — Wall Street N. Y. C.	مصرف	
● AMERICAN BILTRITE EXPORT CORP.	22 Willow Street, Chelsea 50, Mass.		
● AMERICAN BILTRITE RUBBER INTERNATIONAL INC.			
● AMERICAN BIRD CORP.			
● AMERICAN BIRD FOOD MANUFACTURING CORP.	3600 W. Armitage Chicago — Illinois.		
وتعرف باسم : AMERICAN BIRD FOOD PRODUCTS.			
● AMERICAN BIRD PRODUCTS.			
● AMERICAN COMMITTEE FOR BOYS TOWN JERUSALEM.	165 W. 44Th. Street New York City.	منظمة	
● AMERICAN EDUCATIONS INC.	Columbus, Ohio,	تصدير كتب ونشرات ثقافية تستعمل في المدارس الابتدائية في أمريكا	
وتعرف سابقا باسم : WESLEYAN UNIVERSITY PRESS.			
● AMERICAN ELECTRO CHEMICAL INDUSTRIES OF CLEVELAND.	601 — Rockwell Avenue 1405 East 6Th Street Cleveland — Ohio.	منظمة	
● AMERICAN ISRAEL PUBLIC AFFAIRS COMMITTEE ( AIPAC ).			
● AMERICAN JEWISH COMMITTEE	يقع المركز الرئيسي في مدينة نيويورك تحت العنوان التالي : Institute of Human Relations 165 East 56 Street, New York N. Y. 10022.	منظمة	
● AMERICAN JEWISH CONGRESS.	Stephen Wise, Congress House 15 East 48Th. Street New York N. Y. 10028.	منظمة	
● AMERICAN JEWISH LEAGUE FOR ISRAEL	30 West 42 Street, New York. N. Y. 10036.	منظمة	
● THE AMERICAN ROAD INSURANCE CO.	2000 Rotunda Drive Dearborn, Michigan.		
● AMERICAN SEED & FEED PRODUCTS INC.			
● AMERICAN SHELL PRODUCTS INC.			
● AMERICAN SOCIETY FOR RELIEF & IMMIGRANTE INC.	New York.	الاعمال المالية	

الاسم	المنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> <li>● AMERICAN SYNTHETIC RUBBER CORP.</li> </ul>	<p>ومصنعها الموجود في مدينة : Louisville. Kentucky.</p>		
<p>ورد اسمها باسم :</p> <ul style="list-style-type: none"> <li>AMERICAN RUBBER CORP.</li> <li>● AMIRLINE CORP.</li> <li>● AMITONE.</li> <li>● AMPAL REALTY CORP.</li> <li>● AMTICO.</li> <li>● AMUN ISRAEL HOUSING CORP.</li> <li>● ANGLE — TITE.</li> <li>● ANGLIA.</li> <li>● THE ANN &amp; EDGAR BRONFMAN FOUNDATION INC.</li> <li>● ANTI — DEDFAMATION LEAGUE OF B'NAI B'RITH.</li> <li>● A. ASCH CO.</li> </ul>		<p>ماركة</p> <p>ماركة</p>	
<ul style="list-style-type: none"> <li>● AMERICAN CONTINENTAL CO.</li> <li>● AMERICAN ASSOCIATION FOR JEWISH ADUCTION (AAJE).</li> <li>● AIR PRODUCTS AND CHEMICALS INC.</li> <li>● ATLANTA OXYGEN CO.</li> <li>● ATLANTA 18 GEORGIA.</li> </ul>	<p>375 Park Ave. New York, N.Y.</p> <p>375 — Park Avenue New York 10022. 630 5Th Ave. New York, N. Y.</p> <p>The Jlttown Pennsylvania.</p> <p>610 Travis — St. N. W. ولها عنوان آخر هو : 1929. N. Eroad. St. Rome — Georgia. 3 W. 57. St. N. Y. C. 30070.</p>	<p>ماركة</p> <p>ماركة</p> <p>مؤسسة خيرية</p>	
<ul style="list-style-type: none"> <li>● AIR PRODUCTS AND CHEMICALS INC.</li> <li>● ALGER FUND INC.</li> <li>● AMESTERDAM OVERSEAS CORP.</li> <li>● ARGUS CHEMICAL CORP.</li> <li>● APDLIANCE BUYERS CREDIT CORPORATION</li> <li>● APPLIED OPTICS &amp; MECHANICS INC.</li> <li>● AQUASOL.</li> <li>● ARDISCO FINANCE.</li> <li>● ARLIDIN.</li> <li>● ASHTON VALVE CO.</li> </ul>			
<ul style="list-style-type: none"> <li>● ASHTON VALVE CO. INC.</li> </ul>	<p>Arcada, California.</p> <p>43 Kendrick &amp; Depot Street, Wernthan Massachusetts. وتعمل في أربع مناطق : New York, Illinois, Texas, California.</p>	<p>ديلاوير</p> <p>تتعالف في الأجهزة وورق الاستهلاك</p> <p>ماركة</p> <p>ماركة</p>	

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> <li>● ASSOCIATED SPORTS-WEAR.</li> <li>● ASTHMA NEFRIN.</li> <li>● ASTROL — ELECTRONICS DIVISION.</li> <li>● AUTOLITE DIVISION OF FORD MOTOR CO.</li> <li>● AZOENTUSUL.</li> <li>● APPAREL INDUSTRIES INC.</li> <li>● ARO — VENEERS INC.</li> <li>● ARTISTIC ISRAEL JEWELRY MFG. CO.</li> <li>● ARYE ROZENSON.</li> <li>● ASSOCIATED CONCRETE PIPE OF FLORIDA INC. CO.</li> <li>● ASSOCIATED DRY GOODS CORP.</li> <li>● ATA TRADING CORP.</li> <li>● AVEENO CORPORATION.</li> </ul>	<p>1407 — Broadway N. Y. City.</p> <p>38 Camal Street, New York 2 — N. Y.</p> <p>30, West 47Th. St. New York 17 — N. Y. U. S. A.</p> <p>417 Fifth Avenue N. Y. C.</p> <p>1564 Broadway New York 19, N. Y.</p>	<p>مركبة</p> <p>الادوات الكهربائية للسيارات</p> <p>مركبة شركة قابضة</p> <p>تبيع المجوهرات الدينية</p> <p>تصدير الاغلام السينمائية</p> <p>تتعاطى الاعمال التجارية كحجارة الانوية ، وكلاء تسجيل العلامات الفارقة وحقوق الامتياز</p>	
( B )			
<ul style="list-style-type: none"> <li>● THE BALTIMORE LUGGAGE CO.</li> <li>● BANCO AMERICANO ISRAEL.</li> <li>● BANCO INC.</li> <li>● BAYWAY TERMINAL DIVISION.</li> <li>● BEATTIES LIGHTER.</li> <li>● BEECH BOTTOM POWER CO.</li> <li>● BEECHFIELD RENTAL HOMES, INC.</li> <li>● B. C. MORTON ORGANIZATION.</li> <li>● B. C. MORTON AGENCY INC.</li> <li>● BURBERRYS.</li> <li>● BURLINGTON INDUSTRIES, INC.</li> </ul>	<p>(يعمل في الارجواي)</p> <p>668 South Fron St. Elizo Beih New Jersey 7202.</p> <p>55 West 42 St. New York 36, N. Y. — U. S. A.</p> <p>نيويورك Greensbore, North Carolina U. S. A.</p>	<p>الاعمال المالية</p> <p>انتاج المضخات وادوات المياه</p> <p>انتاج الولاعات</p>	



الاسم	العنوان	الاختصاص	ملاحظات
● BURGESS BATTERY CO.	2550 Peterson Avenue Chicago 45, U. S. A.		
● B. WEBER & HEILBRONER	New York.		
● B. C. MORTON FUND INC.			
● B. C. MORTON FINANCIAL CORP.			
● B. YOUNG & CO. OF AMERICA LTD.			
● BAKER'S BOTTLE READY.		ماركة	
● BAKER'S INFANT FORMULE.		ماركة	
● BALTIMORE CLOTHES.		الملابس الرجالية	
● BASIC SYSTEMS INC.	New York.		
● BAUM YOCHIM & CO.	510, N. Dearborn Ave. Chicago — Illinois.		
● BEARING INSPECTION INC.	3311 East Gage Avenue Huntington Park California 90236 — U. S. A.		
● BEATRICE POCAHONTAS CO.	Buchanan — County — Virginia.		
● BELDING CHEMICALS INDUSTRIES INC.	1407 — Broadway, N. Y. C.		
● BELDING CORTICELLI FIBER GLASS FABRICS INC.	1407 Broadway N. Y. C.		
● BELDING HAUSMAN FABRICS INC.			
● BELDING HEMINWAY CO. INC.	1407 — Broadway N. Y. C.		
● BELDING REAL ESTATE CORP.			
● BELL BROTHERS INC.			
● BELLWOOD SHOE MAKERS.		للأحذية	
● BELMONT LABORATORIES INC.	Philadelphia — Pennsylvania.		
● BELVEDER PRODUCTS INC.	125 Columbia Ave. Belvedere — Illinois.		
● BENNETT CORP.	350 — 5Th. Ave., N. Y. C.	صناعة الملابس الرجالية	
● BERLAND SHOE CO. ALLEN STORES.			
● BI — C.		ماركة	
● BILTRITE.		ماركة	
● BLUE RIDGE SHOE CO.			
● BLUSH — ON.		ماركة	
● B. M. C. SHOE CO.	Los Angeles — California.	توزيع الاحذية	

الاسم	العنوان	الأنشاس	ملاحظات
● B'NAI B'RITH.	وسائر فروعها المبينة في العناوين التالية : Haselord — مدينة New Jersey. — بولاية Denver. — مدينة Colorado. — بولاية Stilouis. — مدينة Missouri. — بولاية Philadelphia. — مدينة — بولاية ( بنسافانيا ) Freehold. — مدينة — بولاية ( نيوجرسي ) Paterson. — مدينة — بولاية ( نيوجرسي ) Los Angeles. — مدينة — بولاية ( كاليفورنيا ) — مدينة ( سان فرانسيسكو ) — بولاية ( كاليفورنيا ) — مدينة ( شيكاغو ) بولاية ( ايلينوى ) — مدينة ( ديترويت ) Milwaukee. — مدينة Wisconsin. — بولاية Jackson. — مدينة — بولاية ( ميسيسبي ) Memphis. — مدينة Tennessee — بولاية Knoxville — مدينة Tennessee — بولاية	منظمة	
● B'NAI B'RITH HILLEL FOUNDATION.			
● B'NAI B'RITH REHOVOTH LODGE.			
● B'NAI B'RITH WOMEN			
● BOMYTE CO.	1407 — Broadway, N. Y. C.	ماركة	
● BOSTON.			
● BOSTON BRITISH PROPERTIES LTD.			
● BOTANY BRANDS INC.	350 — 5Th. Ave. N. Y. C.	صناعة الملابس الرجالية	
● BOWNIT TELLER CO.	وغروها في المدن والولايات التالية : — New York, N. Y. — Chicago, Illinois. — Cleveland, Ohio. — Boston, Massachusetts. — Philadelphia, Pennsylvania. — Palm Beach, Florida.		

الاسم	العنوان	الاختصاص	ملاحظات
● BRAGER & CO.	<p>— Manhasset, Long Island.  — White Plains, New York.  — Short Hills, New Jersey.  — Oak Brook, Illinois.  — Jenkintown, Pennsylvania.  — Wynnewood, Pennsylvania.</p> <p>وغروها الخمسة في الولايات المتحدة الأمريكية</p> <p>1 — Los Angeles Calif.  291 S. La Creniga Blvd.  Beverly Hiles.  2 — Chicago, Ill.  1321 Bell Savings Bldg.  70 West Morris Street.  3 — Pittsburgh, Pa 410 Berger Bldg. Pittsburgh 19.Pa.  4 — Philadelphia, Pa.  601 Lowis Tower Bldg.  225 South 15Th Street.  5 — Miami Flo.  407 Lincoln Road.</p>	التأمينات التجارية	
● BRETZ MINING CO.		ماركة	
● BRITE — GARD.		فرع المواصلات	
● BROADCASTING COMMUNICATIONS & ELECTRONICS PROCESSING DIVISION.	501 North Lasale Street Indianapolis, Indiana.	الإذاعية والعمليات الالكترونية	
● BRONCO.		ماركة	
● BROW BEAUTIFUL.		ماركة	
● BROWN — VINTERS CO. INC.			
● BRUNO SCHEIDT INC.	16 — 22 Hudson St. (Room 410) New York, 13, N. Y.	ماركة	
● BRUSH — ON EYE SHADOW.			
● BUILDING FRAMES INC.	464 — Hillside Ave. Hillside N. S.	ماركة	
● BULLDOG.			
● BUSINESS PRODUCTS & SYSTEMS DIVISION.	Rochester, New York 14603.	ماركة	
● BUTTER — NUT.		ماركة	
● BUTTER — NUT FOODS CO.		توزيع القهوة والشاي	
● BYEPS A. M. INC.	430 7Th. Ave. Pittsburgh Pa.		
● BATANY PRANDS INC.	Emibre State Building New York 1, N. Y.		



الاسم	العنوان	الاختصاص	ملاحظات
● BULOVA WATCH CO.  ( C )		انتاج الساعات	
● CAL AM INC.	950 Faxon Avenue, San Francisco 12, California, U.S.A.	انتاج بضائع جلدية وآلات المكاتب وأدوات طبية	
● CALBRO INC.		العقارات	
● CALONLYMPIC GLOVE CO. INC.	كاليفورنيا	بيع معدات الوقاية الصناعية	
● CAPTINA OPERATING CO.		تقوم بإدارة محطة لتوليد الطاقة	
● CARMEL WINE CO. INC.	58 Fifth Ave. N. Y. 17, N. Y.		
● CARDEFF GYPSUM CO.	فورت دودج ولاية أيوا		
● CARROLLWOOD APARTMENTS, INC.			
● CARROLL WOOD CONSTRUCTION CO. INC.			
● CARROLLWOOD RENTAL HOMES INC.			
● CE. DE CANDY INC.	829 Newark Avenue, Elizbeth, New Jersey.	انتاج السكر والحلويات	
● CENTRAL APPALACHIAN COAL CO.		تقوم بالأعمال الكهربائية واستخراج الفحم	
● CENTRAL COAL CO.		تقوم باستخراج الفحم	
● CENTRAL ELECTRONICS, INC.	الينوى	تصنع معدات الراديو	
● CENTRAL OHIO COAL CO.		تقوم باستخراج الفحم	
● CENTRAL ARMS INC.	3 — 5 Federal Street, St. Albans, Vermont.	الأسلحة	
● CENTRAL OPERATING CO.		تقوم بإدارة محطة لتوليد الطاقة	
● CENTRAL PAPER COMPANY.			
● THE CENTRAL QUEENS SAVING & LOAN ASSOCIATION.	86 — 22 Broadway Elmhurst, New York 11373.		
● C. G. ELECTRONICS.	212 Durham Ave. Metuchen, New Jersey.	صناعات البطاريات الصغيرة والسماعات لقليل السمع	
● CHANDLER EVANS CORP.			
● CHARIES CENTER PARKING, INC.			
● CHARLESMONT PARK, INC.			
● CHARLES WOLF & SONS.	580 Fifth Ave. N. Y. 36 N. Y.	تجارة الملبس	
● CHEMSTRAND CORP.			



الإسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> <li>● CHEMSTRAND OVERSEAS.</li> <li>● CITADEL LIFE INSURANCE CO.</li> <li>● CLACIER SAND &amp; GRAVEL CO.</li> <li>● CLAYTON HALL, INC.</li> <li>● CLINTON MILTON J. FICHER.</li> <li>● COLONIAL CREST, INC.</li> <li>● COLT INDUSTRIES INC.</li> </ul>	<p>في ولاية بورتو ريكو 444 Madison Ave. N. Y. C.</p>	التأمين على الحياة	
<ul style="list-style-type: none"> <li>● FAIRBANKS WHITNEY CORP.</li> <li>● COLT'S PATENT FIREARMS CO. INC.</li> <li>● COMPAIN OCCIDENTAL MEXICANA S. A.</li> <li>● COMPASS AGENCIES INC.</li> </ul>	Chicago — Illinois.	انتاج الابسة	
<ul style="list-style-type: none"> <li>● CONCRETE PIPE CO. OF OHIO.</li> <li>● CONSOLIDATED MOLDED PRODUCTS CORP.</li> <li>● CONSOLIDATED LAUNDRIES.</li> </ul>	327 — South Lasalle St. Chicago — U. S. A.	انتاج معامل تكرير مياه البحر	
<ul style="list-style-type: none"> <li>● لها فرع ( بنفس الاسم ) في إنجلترا يخضع لإدارة المدعو تشارلس كلور</li> <li>● CONSOLIDATED FREES CO.</li> <li>● CONSTRUCTION AGGREGATES CORP.</li> <li>● CONSTRUCTION AGGREGATE DEVELOPMENT.</li> <li>● CONTINENTAL IMPORT &amp; EXPORT CORP.</li> <li>● CONTINENTAL MADE INC.</li> <li>● CONTINENTAL ORE CORP.</li> </ul>	كليفلاند — أوهايو	انتاج المضخت والدوات المياه	
	Hasting, Mich.	للملاحه	
	120 S. La Salle St., (Room 1140) Chicago 2111.	بناء الموانئ واعمال التنظيف تحت الماء	
	جلامايكا — كنجستون		
	N. Y. C. — N. Y.	استيراد وتصدير	
	1407 — Broadway, New York 18 — N. Y. U. S. A.		
	500 Sthave, A New York 36, N. Y.	تجار ومستوردون للخامات المعدنية والقضبان الحديدية بما في ذلك المغنزيوم	
	5300 West 5Th. Avenue Gory — Indiana.		
	712 Beacon St., 30 Ston 15 Mass.	صناعة المعاطف للرجل والنساء	
<ul style="list-style-type: none"> <li>● CONSUMERS PAINT FACTORY INC.</li> <li>● CORROPLAST INC.</li> <li>● COSMOPOLITAN MANUFACTURING GREAT DANE BLDG.</li> </ul>			

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> <li>● COUNTRY TWEEDS.</li> <li>● CROSS COUNTRY LIFE INSURANCE CO.</li> <li>● CROSSLAND REALTY CO. INC.</li> <li>● CALIENTE.</li> <li>● CALLANAN SLAG &amp; METERIAL CO. INC.</li> <li>● CALVERT DISTILLING CO.</li> <li>● CAPITAL FOR ISRAEL INC.</li> <li>● CAPITOL PRODUCTS.</li> <li>● CAPRI.</li> <li>● CAREWELL TRADING CORP.</li> <li>● CAREY CADILLAC RENTING OF CALIFORNIA INC.</li> <li>● CARLISLE SHOE CO.</li> <li>● CHANDLER EVANS CONTROL SYSTEM DIVISION.</li> <li>● CHARM STEP SHOE CO.</li> <li>● CHESHIRE INC.</li> <li>● CHELSFA PUBLISHING CO.</li> <li>● CHESMSTONE CORP.</li> <li>● CHEVINAL.</li> <li>● CHICAGO SPECIALTY MANUFACTURING.</li> <li>● CHICAGO TRANSPORT SERVICE. INC.</li> <li>● CHIME.</li> <li>● CLASSICS INTERNATIONAL CORP.</li> <li>● CLERESPAN.</li> <li>● COASTAL FOOT WEAR CORP.</li> </ul>	<p>1270 — 6Th. Avenue ( Room 2701 ) N. Y. C.</p> <p>Los Angeyes — Calif.</p> <p>Charter Oak Blvd West Hartford, Connecticut.</p> <p>Mundelein Illinois</p> <p>50 — East Fordham Road Bronx. N. Y. 10468.</p> <p>7500 — Linder Skokie, Illinois.</p> <p>Illinois.</p> <p>Puertorico.</p>	<p>ماركة للصناعة</p> <p>الاعمال المالية</p> <p>ماركة</p> <p>صناعة مضخات السقود بيع الاحذية</p> <p>دار النشر</p> <p>ماريلهد</p> <p>ماركة</p> <p>ماركة</p> <p>ماركة</p> <p>ماركة</p> <p>ماركة</p>	
<p>( مدرجة ايضا بقسم بورتو ريكو )</p> <ul style="list-style-type: none"> <li>● COCA COLA.</li> <li>● COCA COLA BOTTLING CO. OF BALTIMORE.</li> <li>● COCA COLA BOTTLING CO. OF CALIFORNIA.</li> <li>● COCA COLA BOTTLING CO. OF CHICAGO.</li> <li>● COCA COLA BOTTLING CO. OF GARY.</li> <li>● COCA COLA BOTTLING OF MICHIGAN.</li> </ul>	<p>2625 Kirk Avenue Baltimore — Maryland 21218.</p> <p>1500 Mission Sereet San Francisco — Calif. 94101.</p> <p>1000 Callax Street Gary — Indiana 46400.</p> <p>1440 Butter Wormi Street S.W. Grand Rapids. Michigan 49501.</p>	<p>ماركة</p>	

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> <li>● COCA COLA BOTTLING OF NEW ENGLAND.</li> <li>● COCA COLA BOTTLING CO. OF OHIO.</li> <li>● COCA COLA BOTTLING CO. OF WISCONSIN.</li> <li>● THE COCA COLA CO.</li> <li>● COCA — COLA EXPORT CORP.</li> <li>COCA COLA INTER AMERICAN CORP.</li> <li>● COCA COLA INTERNATIONAL CORP.</li> <li>● COKE.</li> <li>● COLDSPOT.</li> <li>● COLORSILK PERMANENT HAIRS.</li> <li>● COLT'S INC. FIRE ARMS DIVISION.</li> <li>● COLUMBIA AQUARIUM INC.</li> <li>● COMET.</li> <li>● COMMUNICATION SYSTEMS DIVISION.</li> <li>● CONCORDANT CO. LTD.</li> <li>● CONLECO.</li> <li>● CONNECTICUT GENERAL LIFE INSURANCE CO.</li> <li>● CONNECTICUT MUTUAL LIFE INSURANCE CO.</li> <li>● CONSTANCE SPARY.</li> <li>● CONSUL.</li> <li>● CONVERSE RUBBER CO.</li> <li>● CORSAIR.</li> <li>● CORTICELLI REAL ESTATE CORP.</li> <li>● CORTINA.</li> </ul>	<p>400 Soldiers Field Road Boston — Massachusetts 02134.</p> <p>786 Twin Rivers Drive Street — Washington 98122.</p> <p>424 E. Capitol Drive Milwaukee — Wisconsin 5221.</p> <p>100 West, 10Th Street Wilmington — Delaware U. S. A.</p> <p>515 Madison Ave. New York N. Y.</p> <p>100 W. 10Th, Street Wilmington — Delaware.</p> <p>Huyshope Avenue, Hartford Connecticut — West Hartford, Connecticut.</p> <p>Hartford, Connecticut 06115.</p> <p>140 — Garden Street Hartford, Connecticut.</p> <p>392 — Pearl Street, Malden Massachusette.</p> <p>ولها فرعان : ١ — في كاليفورنيا 284 Harbor Way South San Francisco California. ٢ — في ولاية إلينوي 2000 Mannheim Merrirose Park — Illionia.</p> <p>1407 Broadway — N. Y. C.</p>	<p>ماركة</p> <p>علامة تجارية</p> <p>ماركة</p> <p>الاسلحة النارية</p> <p>ماركة</p> <p>صيدغة الجلود للتأمين</p> <p>للتأمين</p> <p>ماركة</p> <p>ماركة</p> <p>ماركة</p> <p>ماركة</p>	

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> <li>● CORWEL.</li> <li>● COUNCIL OF FEDERATION AND WELFARE FUNDS — OJFWF.</li> <li>● COVER GIRL SHOE CO.</li> <li>● CROSBY VALVE &amp; GAGE INC.</li> <li>● CURTIS INDUSTRIES.</li> </ul>	<p>315 Park Avenue, South — New York, New York 10010.</p> <p>43 — Kendrick &amp; Depot Street Wenthams, Massachusetts.</p>	<p>ماركة منظمة</p> <p>بيع الاحذية</p> <p>سبك المعادن كالفلواز وحديد الصلب وصنع المكائن والمعدات التجارية والصناعية</p>	
<ul style="list-style-type: none"> <li>● COUNCIL OF JEWISH FEDERATION AN WELFARE.</li> <li>● COLT INDUSTRIES INC.</li> <li>● CALFOS LTD.</li> <li>● CONGRESS FOR JEWISH CULTURE.</li> <li>● CATALYTIC CONSTRUCTION CO. INC.</li> <li>● COMPUTER DIRECTION FUND INC.</li> <li>● CLUB MEDITREANEN INTERNATIONAL INC.</li> <li>● COLUMBIA BROADCASTING SYSTEM INC.</li> <li>● COLUMBIA RECORDS.</li> <li>● COLUMBIA BROADCASTING SUSTEM.</li> <li>● CAT'S PPW RUBBER CO. INC.</li> <li>● CURTIS NOLL CORP.</li> </ul>	<p>315 Park Avenue South New York.</p> <p>New York.</p> <p>5 / West 52 St. New York 10019</p> <p>799 4Th Avenue New York.</p> <p>51. West 52Nd Street — New York 10019.</p> <p>Batimore, Maryland.</p> <p>3815 St. Clair Avenue Cleveland Ohio 44114.</p>	<p>قمت المشورة والخبرة للتلفزيون الاسرائيلي</p> <p>بيع الاسطوانات</p>	
<p>سابقا تعرف باسم :</p> <p>OHIO FORGE &amp; MACHINE.</p> <ul style="list-style-type: none"> <li>● CUYAHOGA CORP.</li> <li>● CUYAHOGA LIME CO.</li> <li>● CYCLONE.</li> </ul>	<p>كليفلاند</p>	<p>شركة قلبية</p> <p>ماركة</p>	
<p>( D )</p> <ul style="list-style-type: none"> <li>● DAYCO CORPORATION.</li> </ul> <p>( مدرجة سابقا تحت اسم : DAYTON RUBBER CO. )</p>	<p>Ohio — New York.</p>		
<ul style="list-style-type: none"> <li>● DBI.</li> <li>● DEARBORN FORM EQUIPMENT.</li> </ul>		<p>ماركة</p> <p>ماركة</p>	

الاسم	التعنوان	الاختصاص	ملاحظات
● LOFT & COMPANY.	40. Wall Street, New York 5, N. Y. U. S. A.	حقل الاستثمارات والقضايا المالية والاعمال المصرفية	
● DOMINION SHOE CO. ● DONNER — HANNA COKE CORP. ● DONOVAN. ● DOUGLAS SHOE CO. ● DAIPER — SIL CREME. ● DAN HOTEL CORP. N. Y.	Buffalo, N. Y.      120 East 50Th. N. Y.	مركبة بيع الاحذية مركبة ادارة مجموعة من الفنادق الضخمة في اسرائيل منتجات الصلب	
● DWYER — BARKER ELECTRONICS CORP. ● DYNATECH PLASTICS CORP. ● DUNCAN FOODS CO. ● DADELAND SHOPPING CENTER INC. ● DALILA ORIGINAL. ● DANE ENTERPRISES INC. ● DAROFF H. & SONS INC.	7400 North West 13Th Ave. Miami — Florida.   Houston / Texas.		
● D. DAROFF & SONS INC.	200 Fifth Ave. N. Y. 2300 Walnut St. Philadelphia 3 Pa. ومصانعها في : — Dublin. — Perkasio. — Pennsburg. — Philadelphia. — Pennsilvalisa.	مكتب مبيعات انتاج ملابس الرجال	
● DAVINCI RECORDS.	254 — Fifthave, New York 1 — N. Y.		
● DAVIS OSCAR CO. INC. ● DAV'S LABORATORIES INC.	باترسون — نيوجورسي 4800 South Richard Ave. Chicago 32, Ill.	انتاج وتجارة الفسفايت المركبة والمواد الكيماوية التي تستعمل اكثرها في تغذية الحيوانات الاهلية انتاج المطاط	
● DAYCO CORP. ● DEERFIELD RENTAL HOMES INC. ● DENTAL MANUFACTURING OF AMERICA. ( AMERICAN DENTAL MANUFACTURING. ● PENNSSLVANIS. ● DERBY SPORTSWEAR INC.	Ohio — New York.  Commercial Trust Bldg — Philadelphia.  1333 — Broadway, New York City.	صناعة ادوات ولوازم طب الانسان  انتاج الملابس الرياضية للطفل	

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> <li>● DESOTO CHEMICAL BOOTING INC.</li> <li>● DEVELOPMENT CORP. FOR ISRAEL.</li> <li>● DIAMOND DISTRIBUTORS INC.</li> <li>● DOUGLAS FUND INC.</li> <li>● DIRECT JEWELRY CO.</li> <li>● DIVERSIFIED BUILDERS INC.</li> <li>● DOME CHEMICALS INC.</li> <li>● DOME INTERNATIONAL.</li> <li>● DRUID VALLEY APARTMENTS, INC.</li> <li>● D. S. GORDON.</li> <li>● DUMONT EMERSON CORP.</li> </ul>	<p>215 Park Ave. South. New York. 589 Fifth Ave. N. Y. 17. N. Y.</p> <p>في برامونت مدينة نيويورك في مدينة Elkhart بولاية انديانا</p> <p>801 West, 181 St. Street New York 33 N. Y. U. S. A. في نيوجرسي</p>	<p>ضمان السندات التي تصدرها اسرائيل استيراد وتوزيع الماس الصناعي والاحجار الكريمة</p> <p>تميل في التمهيدات المالية</p> <p>اعمال الوكالة والاستيراد</p>	
( E )			
<ul style="list-style-type: none"> <li>● EAGLE SHIPPING CO. INC.</li> <li>● EAGLE SIGNAL.</li> <li>● EAST POINT, INC.</li> <li>● E. C. PUBLICATIONS.</li> <li>● THE ECUADORIAN FRUIT IMP. CORP.</li> <li>● EDMONDSON VILLAGE, INC.</li> <li>● E. W. BLISS COMPANY.</li> <li>● EXTRON TRADING CORP.</li> <li>● ETERNA "27" CYCLE OF BEAUTY.</li> <li>● EVAN PICONE, INC.</li> <li>● EVAN PICONE, INC.</li> <li>● EVELETH TACONITE CO.</li> <li>● EXPORT PROCUREMENT CORP.</li> <li>● EAGLE INC.</li> </ul>	<p>29 — Broadway, New York N. Y. 10006 U. S. A.</p> <p>Baltimore — Maryland.</p> <p>Baltimore — Maryland.</p> <p>1375 — Raff Road S. W. Conton, Ohio.</p> <p>Treatments.</p> <p>1407 — Broadway N. Y. C. 7020 Kennedy Blvd North Bergen, New — Jersey. Duluth — Minnesota. 99 — Park Avenue, New York 16 N. Y. 800 N. E. Second Avenue Miami, Florida U. S. A.</p>	<p>اعمال الوكالة</p> <p>انتاج أجهزة اشارات المرور وأجهزة توقيت صناعية</p> <p>تملك مخازن تجارية في بلتي مور</p> <p>استيراد الفواكه</p> <p>تملك مخازن تجارية في بلتي مور</p> <p>ملركة</p> <p>اعمال الوكالة البحرية</p>	



تاسم	انعمون	الاحصاص	ملاحظات
<ul style="list-style-type: none"> <li>• E. C. BAUM &amp; ASSOCIATIES.</li> <li>• E. J. KORVETTE.</li> <li>( التي اسمها الرسمي كما يلي ) SPARTANS INDUSTRIES INC.</li> <li>مدرجة باحرفين ( S — E )</li> <li>• EAGLE SHIPPING INC.</li> <li>• EASTERN SHOE MANUF.</li> <li>• ECCO.</li> <li>• ECONOLINE.</li> <li>• EDUCATION DIVISION.</li> <li>• ELECTRIC EQUIPMENT CO.</li> <li>وتعرف بالاسمين التاليين : — NORRY EQUIPMENT. — NORRY ELECTRIC CORP.</li> <li>• ELECTRO FKASHCOTE.</li> <li>• ELECTRO PAINTLOK.</li> <li>• ELECTRO ZINCBOUND.</li> <li>• ELECTRONIC COMPONENTS AND DEVICES.</li> <li>• ELECTRONIC COMPONENTS AND DEVICES DIVISION.</li> <li>• EISENBERG &amp; CO. U. S. A. AGENCY INC.</li> <li>• ELECTRO CHEMICAL ENG. CO.</li> <li>• ELECTRO — OPTICAL SYSTEMS INC.</li> <li>• ELECTRA SPARK INC.</li> <li>• ELEGENCIA.</li> <li>• ELEMK OF ISRAEL.</li> <li>• ELLIOT IMPORT CORP.</li> <li>• ELLIOT KNITWEAR CORP.</li> <li>• ELLIS REALTY CO. INC.</li> <li>• EMANUEL BLUMENFRUCHT AND SON.</li> <li>• EMERSON, INC.</li> <li>• EMERSON INDUSTRIAL PRODUCTS CORP.</li> <li>• EMERSON RADIO EXPORT CORP.</li> </ul>	<p>510, N. Dearborn Chicago — Illinois. وعنوانها ( الإدارة العامة ) 1180 Avenue of The Americas New York, 10036.</p> <p>2066 Talleyrand Avenue Jacksonville, Florida U. S. A.</p> <p>600 Madison Avenue New York N. Y. 10022. 63 Curlew Street Rochester — N. Y.</p> <p>415 South Fifth Street Harrison, New Jersey. 1351 Roosevelt Avenue Indianapolis — Indiana. N. Y., New York.</p> <p>في امو — بنسلفانيا Pasadena, California.</p> <p>512 Seventh Avenue, New York 18, N. Y. — U. S. A. 41 — West 72Nd. St. New York, N. Y. N. Y. C., N. Y. 105 Madison Ave. N. Y. 16 N. Y.</p> <p>36 West 47Th St., N. Y. 36 N. Y.</p> <p>في نيوجرسي في نيوجرسي في ديلوير</p>	<p>الوكالة البحرية</p> <p>لصنع الاحذية ماركة ماركة</p> <p>تجارة المعدات الكهربائية ومكان الديزل والموتورات</p> <p>مركبة مركبة مركبة</p> <p>الاجهزة والاجزاء الالكترونية فرع الاجزاء المكلمة والاجهزة الالكترونية</p> <p>استيراد وتصدير</p> <p>للملابس</p> <p>صناعة القفازات تجارة الجلة للقفازات والالبسة</p> <p>تجارة الماس</p>	

الاسم	العنوان	الاختصاص	ملاحظات
EMERSON RADIO & PHONO- GRAPH CO. • ELECTRONIC COMPO- NENTS AND DEVICES. • ELECTRONIC FILMS INC. • ELECTRONIC — OPTICAL SYSTEMS INC. • ELECTRUNITE. • ELLIOT PUBLISHING CO. INC. • ELTRA CORPORATION. • EMERSON RADIO INTER- NATIONAL CORP. ( مدرجة سابقا تحت اسم : ( EMERSON RADIO EX- PORT CORP. • EMU — 4. • ENAMELITE. • ENCYCLOPAEDIA JUDAICA RESEARCH FOUNDATION. • ENDURO. • ENGLISH AMERICAN TAILORING CO. • ENTUSUL. • ENGELHARD MINERALS & 'CHEMICALS CORPO- على أن يشمل الحظر فروعها التالية 1 — ENGELHARD INDUS- TRIES INTERNATIONAL LTD. 2 — PRECIOUS METALS TRADING CO. LTD. 3 — ENGELHARD INDUS- TRIES LTD. 4 — ENGELHARD INDUS- TRIES A / S. 5 — ENGELHARD INDUS- TRIES S. P. A. 6 — ENGELHARD INDUS- TRIES PTY LTD. 7 — ENGELHARD INDUS- TRIES, G. M. B. H. 8 — ENGELHARD INDUS- RIES S. A.	8Th. Ave. N. Y. C., N. Y.  Front And Coopes Street Camden, New Jersey. Burlington Massachusetts. Pasadena, Calif.   680, 5Th. Ave., New York N. Y. 10022.	انتاج أجهزة الراديو والفونوغراف الأجهزة والأجزاء الإلكترونية  ماركة   ماركة مجهر إلكتروني  مؤسسة خيرية صهيونية  بيع الملابس الرجالية  ماركة	

الاسم	العنوان	الاختصاص	ملاحظات
9 — COMPANIA DE INVERSIONES Y DISTRIBUIDORA S. A. 10 — SOCIEDAD SURAMERICANA DE METALES PRECIOSOS S. A. 11 — COMPANIA MINERVA SANTA FE. 12 — BLASS ANTENNA ELECTRONECS CORP. • ELOX DIVISION.	1830 Stepinson Highway Troy Michigan 48064 وكذلك علامتها التجارية ELOX NO WEAR.		
• EUCLID ORION. — NEW YORK INC. • ELCO CORP.	Maryland Rd. Near Computer Willow Grove Pa. 19090. Fort Washington Pennsylvania — 19034.	انتاج الموصلات الكهربائية والإلكترونية	
• ENGINEERING AND RESEARCH CENTER. • ELCO PACIFIC.	2200 Par Place, El Segundo California 90245. Park Hantington Pennsylvania		
• ELCO HUNTINGTON CORP. INDUSTRIAL • ELCO DISTRIDUTOR DIVISION. • ELCO OPTISONICS DIVISION. • EMKOL EXPORT.	Willow Glove, Pennsylvania 19090. Montgomery — Vilje Pennsylvania 18936. 441 — Whitehall St. New York, 4 — N. Y. N. Y. C., N. Y.	انتاج الفرش انتاج اقلام الرصاص	
• EMPIRE BRUSHES INC. • EMPIRE PENCIL CO. واسمها ايضا : HASSENFELD BROTHERS PENCIL CO. • EMPIRE RAINWEAR CORP.	25 West 26Th St., New York 10, N. Y.	صناعة معاطف المطر	
• EMPIRE STAMP GALLERIES.		تجارة طوابع البريد	
• EMPIRE TWINE & YARN CO. INC.	70 Thomas St., New York 13, N. Y.	وكلاء مصانع وبتاعين للقطن والقنبوالجوت والحبيل	
• ERNST BISCHOFF CO. INC.	Ivoryton Connecticut في مدينة بولاية		

الاسم	المنوان	الاختصاص	ملاحظات
( F )			
● FAIRBANKS WHITNEY CORP.	Chicago — Illinois.	انتاج معامل تكرير مياه البحر	
● حاليا باسم : COLT INDUSTRIES INC.			
● FAIRBANKS MORSE & COMPANY.	3601 Kansas Ave., Kansas City — Kansas.	للتصدير	
● FAIRBANKS MORSE CO.	Chicago — Illinois.		
● FAIRBANKS MORSE & COMPANY.	Fairlawn, New Jersey, U. S. A.	للتصدير	
● FAME — COR — CORP.			
● FAMOUS RAINCOAT CO. INC.	29 Walker St., New York 13 N. Y.	صناعة المعاطف المطرية والجابردين والبلاستيك	
● FAIRBANKS MORSE INTERNATIONAL PUMP DIVISION	Glen Rock, New Jersey U.S.A.		
● COLT INDUSTRIES INC.			
● FAIRBANKS MORSE POWER SYSTEM DIVISION.	701 — Lawton Avenue Beloit — Wisconsin.	محركات الديزل والآلات الضغط والبنزين والكهرباء مختلف أنواع المضخت	
● FAIRBANKS MORSE PUMP DIVISION.	3601 — Kansas Avenue Kansas City — Kansas.	صناعة الموازين المعادية والميكانيكية والكهربائية والإلكترونية	
● FAIRBANKS MORSE WEIGHING SYSTEM DIVISION.	19 — 01 Jersey St. Johnsbury Vermont east Moline Illinois.	ماركة ماركة	
● FAIRLANE.		ماركة	
● FALCONS.		ماركة	
● FAMOUS AUTHORS LTD.		مصنف	
● FANTA.			
● FARROW TESE.			
● FARM PIPE LINES INC.			
● FEUCHTWANGER CORP.	في كلورادو		
● FIDELITY SERVICE CORP.			
● FILTERED RESIN PRODUCTS INC.	Baxley.		
● FLAMING FOAM LTD.			
● FLEET MAINTENANCE INC. ( ILL )			
● FORD BACON & DAVIS.	2 — Broadway, New York 6 — N. Y.		
● FORUM REALTY CO.			
● FOSTER GRANT INC.	350 Fifth Avenue New York.	صناعة منتجات البلاستيك	
● FOOTHILL ELECTRIC CORPORATION ELECTRICAL CONTRACTING.			

الاسم	العنوان	الاختصاص	ملاحظات
FRANKLIN REAL ESTATE CO.		تملك عقارات ثابتة	
FREDRICK M. COTTLIEB & CO.	55 East Washington St. Chicago 2.	تجارة الماس	
FREEDMAN INDUSTRIES INC.	111 Columbus Ave. Tuckahoe, N. Y.		
FREEMAN HELPERN ASSOCIATES.	260 — Madison Street, New York U. S. A.		
FULLCUT MANUFACTURER INC.	580 Fifth Ave. New York 36, N. Y.	تجارة الماس	
FEDERATION OF JEWISH PHILANTHROPIES OF NEW YORK.		منظمة	
• FEMICIN.		ماركة	
• FERROBORD.		ماركة	
• FIAMMA.		ماركة	
• FIDELITY MUTUAL LIFE INSURANCE CO.	The Parkway And Fairmount Avenue, Philadelphia, Pennsylvania 19101.	للتأمين	
• FINGERTIP TANS.		ماركة	
• FLAGG BROS.			
• FAGG — UTICA CO.			
• FLEETWOOD.		ماركة	
• FLEETWOOD COFFEE CO.		توزيع الشاي والقهوة	
• FLURIDE — VITAMIN.		ماركة	
• FOMOCO.		ماركة	
( مدرجة أيضا بالقسم البريطاني )			
• FORD.		ماركة	
• FORD AUTHORIZED LEASING SYSTEM.		لتأجير السيارات	
• FORD "D".		ماركة	
• FORD LEASING DEVELOPMENT CO.	2000 Rotunda Drive Dearborn — Michigan.		
• FORD MOTOR CO.	P. O. Box 600 Wixom — Michigan 48096.		
• FORD MOTOR CREDIT CO.	2000 Rotunda Drive Dearborn — Michigan.		
	ولها (١٢٧) فرعاً في (٤٣) ولاية أمريكية وفي جزر بورنوريكو Dearborn, Michigan.		
• FORD MOTOR CREDIT CO. INTERNATIONAL.		ماركة	
• F — 100 PICK UP.			
• FORD PRODUCTS CO.	Dearborn — Michigan.	تأجير السيارات	
• FORD RENT -A- CAR SYSTEM.		ماركة	
• FORD TRACTORS.		ماركة	
• FORDSON.		ماركة	
( مدرجة أيضا بالقسم البريطاني )			

الاسم	المنوان	الاختصاص	ملاحظات
● FOREIGN TRADE EXCHANGE.	510 S. Ervay St. Merchandise — Mart Bldg. Dallas — Texas.		
● THE FOREST CITY MATERIAL CO.	Cleveland — Ohio U. S. A.		
● FORMIT ROGERS.			
● FORTUNE SHOE CO.			
● FAIRBANKS MORSE "INTERNATIONAL PUMP" DIVISION COLT INDUSTRIES INC.	Glen Rock New Jersey U. S. A.		
● FRANKFORT DISTILLERS CO.	375 — Park Avenue New York 10022.		
● FAIRBANKS MORSE POWER SYSTEMS DIVISION.	1901 State Highway No. 208.		
● FAIRLAW NEW JERSEY.			
● FAIRBANKS MORSE PUMP AND LECTRIC.	3601 Kansas Avenue Kansas City — Kansas 66 — 110		
	ولهذا القسم مكتب للبيع في العنوان التالي : Graimic Place — Moonechi New Jersey.		
● FAIRBANKS MORSE INTERNATIONAL PUMP.	175 Room Road Rear — Glenrock New Jersey.		
اعتماد العنوان المين ادنه عنوانا ثاني لشركه اكندية التالية :			
● FAIRBANKS MORSE CANADA LTD.	عنوانها في امريكا 233 Broadway New York.	جمعية تابعة لمنظمة	
● FARBAND LABOR ZIONIST ORDER.		تعمل في حقول الاستثمارات	
● FIDUCIA INC.	51 Chmbers St. New York.		
● FINANCIAL INSTITUTIONS GROWTH FUND.			
● FORD LIFE INSURANCE CO.			
● FORD INTERNATIONAL CAPITAL CORP.			
● FORD MAVERICK		ماركة سيارات	
● FOUR ROSES DISTILLING CO. LTD.			
● FRANK BROS FENNFEIN-STEIN.	New York	مخازن ابيع الالبسة	
● FRANKFORT DISTILLERS CO.	375 — Park Avenue New York 10022.	للمشروبات الروحية	
● FRESCA.		ماركة	
● FROMM & SICHEL INC.			



الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> <li>FUND AMERICAN.</li> <li>( مدرجة أيضا بقسم الشركات مجهولة الجنسية )</li> <li>( G )</li> <li>GALVITE.</li> <li>GENERAL CHEMICAL &amp; ADHESIVE CO.</li> <li>GENERAL THREAD MILLS INC.</li> <li>GENERAL TIRE INTERNATIONAL CO.</li> <li>GENERAL WINE AND SPIRITS CO.</li> <li>GENESCO EXPORT CO.</li> <li>GENESCO INC.</li> <li>GEORGE D. ROPPER &amp; CO.</li> <li>GALAXIE 500 -7- LITRE.</li> <li>GALIS MANUFACTURING COMPANY OF FAIRMONT.</li> <li>GUIDE — LINED.</li> <li>GALAXY HOMES.</li> <li>GAMEWELL CO. INC.</li> <li>GENERAL SHOE CORP.</li> <li>GENERAL TIRE &amp; RUBBER CO.</li> <li>GEORGE M. BLACK.</li> <li>GEORGE CARPENTER &amp; CO. INC.</li> <li>GEORGE EHRET CO. INC.</li> <li>GILPIN CONSTRUCTION CO. LTD.</li> <li>GLAZIER CORP.</li> <li>GLENCO.</li> <li>GLICKMAN CORP.</li> </ul>	<p>1407 — Broadway, N. Y. C.</p> <p>375 — Park Avenue, New York 10022.</p> <p>وعنوانها الرئيسي : 111 — 7Th. Ave. N. Nashville Tennessee 37202.</p> <p>والها عنوان آخر : 730 Fifth Ave. New York N. Y. 10019.</p> <p>في ولاية ماساتشوسيتس</p> <p>Nashville, Tenn. Akron, Ohio.</p> <p>401, N. Ogden Ave., Chicago. 22, Illinois — U. S. A.</p> <p>11 West 42Nd St., N. Y. 36</p> <p>في ولاية ديلاوير 212 Durham Ave. Metuchen, New Jersey.</p> <p>Glickman Building 501 — Fifth Avenue &amp; 42Nd. Street New York 17 — N. Y. — U. S. A.</p>	<p>ملركة</p> <p>للمشروبات الروحية</p> <p>للتصدير كافة أنواع الالبسة الجلابة والاحذية</p> <p>صنع الادوات الكهربائية المختلفة ملركة</p> <p>ملركة للعقارات صنع ادوات الاشارة والانذار للبولىيس والحريق انتاج الاحذية انتاج اطارات المطاط</p> <p>صناعة البطاريات الصغيرة والسماعات لقابلي السمع</p>	

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> <li>● GLENOIT MILLS INC. N. Y.</li> <li>● GENERAL WINE AND SPIRIT CO.</li> <li>● GLOBAL TOURS.</li> <li>● GREAT UNIVERSAL STORES INC.</li> <li>● GOLDEN BEAR OIL CO.</li> <li>● GESCO MANUFACTURING.</li> <li>● GIDDING — JENNY INC.</li> </ul>	<p>ومصانعها في : مدينة ناربيورو ولاية كارولينا الشمالية . 375 — Park Avenue New York 10022.</p> <p>وفروعها الموجودين في : — Cincinnati — Ohio. — Dayton — Ohio. 101 — 5Th. Avenue ( 3Rd Floor New York — N. Y. 10003. )</p> <p>Berlin — New Hampshire.</p>	<p>للأحذية</p>	
<ul style="list-style-type: none"> <li>● GILBERTON COMPANY INCORPORATION.</li> <li>● GILBERTON WORLD WIDE PUBLICATIONS INC.</li> <li>● GLACIER SAND AND GRAVEL CO.</li> <li>● GLOBAL TOURS.</li> <li>● GRANITE STATE RUBBER CO.</li> <li>● GRAPHIC SYSTEMS DIVISION.</li> <li>● GREAT UNIVERSAL STORES INC.</li> <li>● GORELLE BAGS INC.</li> </ul>	<p>14 East 32Nd. St., New York 16 N. Y.</p> <p>1407 — Broadway New York City</p> <p>1407 — Broadway New York 18 — N. Y.</p>	<p>استيراد وتوزيع الحقائب ملابس الرياضة التساقية</p>	
<ul style="list-style-type: none"> <li>● GRANTO PRODUCTS INC.</li> <li>● GREEN LEAF TEXTILES CORP.</li> </ul>	<p>في ماريلاند 225 — 27 Fourth Ave. New York 3 N. Y.</p>	<p>منتجات القطن والحرير الصناعي</p>	
<ul style="list-style-type: none"> <li>● GRESKA CO. INC.</li> </ul>	111 Eighth Ave. N. Y. 11 N. Y.	<p>الشوكولاته والحلويات والزيتون والسمك المعلب وتعليب الفواكه والخضروات</p>	
<ul style="list-style-type: none"> <li>● GRISTEDE BROS INC.</li> <li>● GRUNER &amp; CO.</li> </ul>	<p>160 / Broxdale, Bronx New York U. S. A.</p> <p>1239 Broadway N. Y. L</p>	<p>تجارة المحافظة الواقية من المطر</p>	
<ul style="list-style-type: none"> <li>● GULTON INDUSTRIES INC.</li> </ul>	212 Dirham Ave. Metuchen. New Jersey.	<p>صناعة البطاريات الصغيرة والسماعات لقليل السمع</p>	
<ul style="list-style-type: none"> <li>● GYPSUM CARRIER INC.</li> </ul>			

الاسم	العنوان	الاختصاص	ملاحظات
( H )			
● H. C. BOHACK & CO. INC.	Metropolitan & Flushing Avenue 3 New York, N. Y.	تقوم بالإشراف على سلسلة من مخازن المأكولات	
● H. GREEN & CO.			
● H. & M. WILSON OPERATION	Cadany — California.		
منظمة النساء الصهيونيات :	65 East 52Nd St. New York N.Y.	منظمة نسائية	
● HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION OF AMERICA INC.			
● HARODITE FINISHING CO.	66 — South Street, Tauton Massachusetts.		
● HARLEY IMPORTS INC.			
● HARRIS & FRANK SOUTHERN.	California.		
● HARROP CERAMIC SERVICE CO.	35 East Gay St., Columbus 15, Ohio.	بناء الأفران ومصانع البراميل	
● HUNTINGTON CREEK CORP.			
● HUDSON PULP & PAPE CORP.	N. Y. C. N. Y. ومصانعها في : — Pine Bluff — Arkansas. — Augusta — Maine. — Carteret — New Jersey. — Wellisburg — W. Virginia.	إنتاج الورق	
● HOUSE WORSTED TEX INC.			
● HY. SPECTORMAN	246 — 22 57Th Drive Donglaston 62 N. Y.	تجارة المواد الإسرائيلية منتجات البلاستيك التلبيبات التجارية	
● HARRY BRAGER & CO.	60 Wall, St., New York.		
واسمها الصحيح : BRAGER & CO.	وفرعها في واشنطن وعنوانه : 1218, 16Th St., N. Y. Washington D. C.		
● HARRY WINSTON INC.	718 Fifth Ave. N. Y.	استيراد قطع الأحجار الكريمة وخاصة الماس	
● HARVILLE CORPORATION.	1410 — Broadway — New York 18 — N. Y.	إنتاج أقلام الرصاص	
● HASSENFELD BROTHERS PENCIL CO.			
واسمها أيضا : EMPIRE PENCIL CO.			
● HENGEMAN — HARRIS CO.	30 Rockefeller Plaza, New York 20, N. Y.	مقاولون عامون للبناء	
● HELENA ROBENSTIME.		إنتاج مستحضرات التجميل	

الاسم	العنوان	الاختصاص	ملاحظات
● HELENE CURTIS INTERNATIONAL S. A.	Chicago 39, Illinois. 4401 W. North Avenue.	انتاج ادوات ومواد تجبيل وعطور	
● HENNINGER BREWERY INTERNATIONAL CORP.	( New York ).		
● HENRY J.		انتاج السيارات	
● HENRY ROSE STORES INC.			
● HERBERT MARNORK & SON.	2153 — 78Th St. Brooklyn 14 New York.	الاعمال التجارية ومنها تجارة زيوت ومشتقات الحمضيات تجارة	
● HERMAN HOLLANDER INC.	N. Y. C., N. Y.		
● HELENE CURTIS INDUSTRIES.			
● H. M. GRAUER	15 West 47Th St., N. Y. 38.	تجارة الملابس	
● HOLY LAND MARBLE GRANITE INC.	250 West 57Th N. Y. 19.	انتاج الرخام والفرانيت	
● HOMART DEVELOPMENT CO.			
● HOMAN SERVICES INC.			
● THE HOME INSURANCE CO.	1511 K. Street N. W. Washington, D. C.	شركة تأمين	
● HORNELL BEERS INC.			
● HORNELL DREWING CO. INC.			
● H. S. CAPLIN.			
● HARRY WINSTON MINERALS OF ARIZONA INC.	ومصنعها الموجود في ولاية اريزونا تحت عنوان : West Pecos Road Chandler — Arizona.		
● HARTZ MOUNTAIN PET FOODS INC.			
● HARTZ MOUNTAIN PRODUCTS CORP.	50 Cooper Square New York City.	تخصص في اغذية الطيور والدواجن والحيوانات الصغيرة	
● HAWAII — KAI COMMUNITY SERVICES CO.			
● HEELIN TOE.		ماركة	
● HELINONE.		ماركة	
● HENRI BENDEL INC.	New York City.		
● HERRINGBONE.		ماركة	
● HERTZ COMMERCIAL LEASING CORP.	Delaware.		
● HERTZ CORP.	660 — Madison Ave., New York. N. Y.		
● HERTZ EQUIPMENT RENTAL CORP.			



الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> <li>● ISRAEL FUND DISTRIBUTORS INC.</li> <li>● INCH — MARKED.</li> <li>● INDEPENDENCE ACCEPTANCE CORP.</li> <li>● INDUSTRIAL COMPUTERS DIVISION.</li> <li>● INFORMATION SYSTEMS DIVISION.</li> <li>● INGENIERIA Y. CONSTRUCCIONES KAISER S. A.</li> <li>● INLAND CREDIT CORP.</li> <li>● INNES.</li> <li>● INSTANT PATENT LEATHER.</li> <li>● INTERNATIONAL DENTAL PRODUCTS INC.</li> <li>● IN — TER — LINE.</li> <li>● INTERSTATE SHOE CO.</li> <li>● ( L.C.O.A. ) ISRAEL CORP. OF AMERICA.</li> <li>● IMPERIAL EXPORT.</li> <li>c IMPORTED BRANDS INC.</li> <li>● IMPORT FROM ISRAEL.</li> <li>● IMPORTED GLASS CO.</li> <li>● INDIANA FRANKLIN REALTY, INC.</li> <li>● INDIANA &amp; MICHIGAN ELECTRIC CO.</li> <li>● INDUSTRIAL FINANCE CORP.</li> <li>● INLAND WALL PAPER.</li> <li>● INSTRUMENT SYSTEM CORP.</li> <li>● INTERCONTINENTAL IMPORTERS INC.</li> <li>● INTERCONTINENTAL TRANSPORTATION CO. INC.</li> <li>● INTERNATIONAL LATEX CORP.</li> <li>● INTERNATIONAL PAPER CO.</li> </ul>	<p>Philadelphia, Pa.</p> <p>3900 Monte Road — Palm Beach Gardens, Florida.</p> <p>Rochester, New York 14063.</p> <p>11, West 42Nd. Street New York N. Y.</p> <p>Los Angeles — California.</p> <p>Richmond Hill 18, L. I. N. Y.</p> <p>18 East. 41 St. N. Y. 17.</p> <p>44 — Whitehall St New York N. Y.</p> <p>42 West 22Nd. St., New York 10 N. Y.</p> <p>2634 Broadway N. Y. 25 N. Y.</p> <p>121 Lourence Ave. Brooklyn New York.</p> <p>9840, Dexter Blvd INC. Dethiot — 6, Mich — U. S. A.</p> <p>في نيويورك</p> <p>New York.</p> <p>220 East 42Nd St., N. Y. 17 N. Y.</p>	<p>ملركة</p> <p>لجهاز الكترونية</p> <p>للأحذية</p> <p>ملركة</p> <p>ملركة</p> <p>استيراد وتصدير</p> <p>استيراد وتوزيع المشروبات الروحية</p> <p>استيراد وتصدير وتمثيل شركات استيراد الاواني الزجاجية</p> <p>تملك عقارات ثابتة</p> <p>تقوم بالأعمال الكهربائية</p> <p>المواد الطبية والبيكافية</p> <p>صناعة الورق</p>	



الاسم	العنوان	الاختصاص	ملاحظات
● INTERNATIONAL PIPE & CERAMICS CORP.	East Orange, New Jersey.	انتاج انابيب المياه	
السابق THE LOCK JOINT PIPE CO.			
● INTEROCEAN ADVERTISING CORP.	نيويورك		
● INTEROCEAN RADIO CORP.	في الينوى — وغير عاملة		
● ISAAC J. SHALOM & CO. INC.	411 Fifth Ave. N. Y. C.	انتاج المناديل واغطية السراير والمخدرات المصنوعة من الكتان	
● ISADORE ASH.	1024 — 1026 — Forbes St. Pittsburgh 19 — Pa. U. S. A.	مصرف	
● ISRAEL AMERICAN INDUSTRIAL DEVELOPMENT BANK LTD.		بتروول	
● ISRAEL AMERICAN OIL CO.			
● ISRAEL AMERICAN SHIPPING COMPANY.	New York.	الملاحة البحرية ( اعمال الشحن ) الاعمال التجارية	
● ISRAEL ART CRAFT IMPORTING CO. INC.	1005 Filbert St., Philadelphia P. A.		
ISRAEL COIN DISTRIBUTOR CORP.	327 Fourth Ave. N. Y.	تجارة الاستيراد وتمثيل اشركات انتاج حلويات وسكاكر	
● ISRAEL CREATIONS INC.	55 West 42 St. New York.		
● ISRAEL ASSORTED COMMODITIES.	36 N. Y. — U. S. A.		
● ISRAEL FUND DISTRIBUTORS INC.	511 West 20Th. St. New York 10011.		
● INTERNATIONAL PACKERS LTD.	54 Wall St. N. Y.		
● INEYCIOPIEDIA JUDAICA INC.			
● ISRAEL DESIGNS.	1801 — Gilbert St. Philadelphia 50 Pa. — U. S. A.		
● ISRAEL ECONOMIC CORP.	— 400 Madison Avenue N. Y. 17 N. Y.	تعمل على تمويل المشاريع الصناعية والزراعية في اسرائيل والمساهمة فيها	
كانت تعرف سابقا باسم : PALESTINE ECONOMIC CORP.	— 18 East 41 St. New York 17 N. Y.		
● ISRAEL GLOVES INC.	18 West 37Th. St. New York 18 — N. Y. U. S. A.		
● ISRAEL IMPORT COMPANY	1385 N. North Branch Street Chicago 22, Illinois White Hall 3 — 1305.	استيراد التجموع بقواعها	
● ISRAEL INVESTORS CORP.	بمدينة نيويورك	استثمار الاموال في المشاريع الاسرائيلية	

الاسم	العنوان	الاختصاص	ملاحظات
● ISRAEL NUMISMATIC SERVICE.	115 West 30Th St., N. Y. 1 N. Y.	تجارة الطوابع والعملات النقدية والاعمال التجارية	
● ISRAEL PURCHASING SERVICES INC.	17 East 71 St., N. Y. 21 N. Y.		
● ISRAEL PHILATELIC AGENCY IN AMERICA INC.	115 West 30Th St., N. Y. 1 N. Y.	تجارة الطوابع والعملات الأجنبية	
● ISRAEL RAZOR BLADE CO.	33 West 46Th St., New York City.	استيراد وتوزيع بالجملة	
● ISRAEL RELIGIOUS ART INC.	43 West 61 St., New York.	الاستيراد والتوزيع وتمثيل الشركات	
● ISRAEL WINE LTD.	299 Madison Ave. New York — 17 — N. Y.		
● INTIMATE CRYSTALLINE SPRAX MIST.		ملركة	
● INTIMCO.			
● INVESTORS OVERSEAS SERVICES	Panama City.		
● ISRAEL ALABAMA WIRE CORP. LTD.			
● ISRAEL AMERICAN DIVERSIFIED FUND INC.	54 Wall Street New York N. Y. 10005.	استثمار	
● ISRAEL EDUCATION FUND OF THE UNITED JEWISH APPEAL.			
● ISRAEL FUNDS MANAGEMENT CORP.	54 Wall Street New York N. Y.		
● ISRAEL MIAMI GROUP ( DAN HOTEL CHAIN ).	1 — Lincoln Road Miami Florida.	جمعية للاستثمار	
● ISRAEL SECURITIES CORP.	17 — E. 71St. Street N. Y. C.		
( I )			
● JABLO PLASTICS INDUSTRIES LTD.			
● J. A. JOHNSTON CO.			
● J. M. COOK & CO.	● World Trade Center Houston, Texas, U. S. A.	وكالات ملاحه	
● J. M. WOOD MANUF CO. INC.			
● THE JOSEPH MEYERHOFF CORPORATION.			
● JOSEPH SAVION.	30 West 47 St., ( Room 707 ) New York.	تجارة الملابس الاسرائيلي	
● JULIUS KLEIN PUBLIC RELATIONS.	شيكاغو		
● JUNIORIT INC.	1407 — Broadway New York 18 — N. Y.	صنع الملابس	
● JAQUES TOREZNER & CO.	2 West 46 St., N. Y. C., N. Y.	صناعة المنس	

الاسم	العنوان	الاختصاص	المنتجات
<ul style="list-style-type: none"> <li>JACQUITH CARBIDE DIE CORP.</li> <li>JEFFERSON TRAVIS INC.</li> <li>JERRY SILVERMAN INC.</li> <li>JERY MARKS INC.</li> <li>JESSOP STEEL CO. INC.</li> <li>J. GERBER &amp; CO.</li> <li>JOSEPH E. SEAGRAM &amp; SONS INC.</li> <li>J. LEVINE RELIGIOUS SUPPLIES INC.</li> <li>JORDAN MANUFACTURING CORP.</li> <li>JOSAM TAILORS INC.</li> <li>JOSEPH BANCROFT AND SONS CO. (BANCO CO.)</li> <li>JEWISH WAR VETERANS OF THE U. S. A. TWU.</li> <li>J. K. COOK CO.</li> <li>JANBRA INC.</li> <li>J. M. COOK CO.</li> <li>JEWISH WELFARE FUND.</li> <li>JARMAN RETAIL CO.</li> <li>JARMAN SHOE CO.</li> <li>JERYL LIGHTING PRODUCTIONS CO.</li> <li>JEWISH WAR VETERANS OF THE U. S. A. JWV.</li> <li>JOHN HARDY SHOE STORES.</li> <li>JOHNSTON &amp; MURPHY SHOE CO.</li> <li>JOINE DISTRIBUTION COMMITTEE.</li> <li>JOLIE MADAME.</li> <li>JUEA ART IMPORTERS INC.</li> <li>JULIUS KESLER DISTILLERY CO. LTD.</li> </ul>	<p>32 Ross St., Brooklyn N. Y.</p> <p>Green St., West Washington Washington Pa. Washington Country U. S. A.</p> <p>855. 6Th. Ave. New York U.S.A.</p> <p>375 Park Avenue, New York City. U. S. A.</p> <p>73 Norfolk St., N. Y.</p> <p>1410 Broadway New York 18.</p> <p>في بنسلفانيا</p> <p>1430 Broadway New York N.Y.</p> <p>New Hampshire Avenue N. W. Washington.</p> <p>World Trade Center Houston Texas.</p> <p>Chicago — U. S. A.</p> <p>New Hampshire Avenue N. W. Washington, D. C.</p> <p>21 Orchard Street New York N. Y. 10002.</p>	<p>صناعة هياكل التلفزيون</p> <p>صناعة الملابس الرياضية</p> <p>انتاج الاغران الكهربائية والصفائح والسككين لصناعة قطع الخشب</p> <p>تجارة الكتب الدينية</p> <p>اعمال الوكالة</p> <p>صناعة الخيوط المعروفة باسم ( بان لون )</p> <p>جمعية</p> <p>وكالة صهيونية</p> <p>ماركة</p>	
( K )			
<ul style="list-style-type: none"> <li>K. HETTEMAN &amp; SON.</li> </ul>			

بالتيمور

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> <li>● K. &amp; S. METAL SUPPLY INC.</li> <li>● KLUGER ASSOCIATES INC.</li> <li>● KLUTZNICK ENTERPRISES</li> <li>● KOOK H. &amp; CO. INC.</li> </ul>	<p>250 West, 59 St., New York 19, N. Y.</p> <p>1 — East Wacker Drive Chicago — Illinois.</p> <p>في نيويورك</p>	<p>مبيعات</p> <p>سمانة اسهم وسندات تعمل في الاملاك والعقارات اعمال الوساطة (التمسرة) لشركات التأمين</p>	
<ul style="list-style-type: none"> <li>● KORDAY FASHIONS INC.</li> <li>● KORDEEN MANUFACTURING CO. INC.</li> <li>● KRAUS BROTHERS &amp; CO. INC.</li> <li>● KAISER ENGINEERS INTERNATIONAL.</li> </ul>	<p>1407 — Broadway New York City.</p> <p>1420 South Penn. Square Philadelphia 2, U. S. A.</p> <p>Kaiser Center 300 — Lakeside Drive Oakland 12, California U. S. A.</p>	<p>تعمل في التمهيدات ولها مصنع في نيويورك تجارة الخمر والكحول بالجملة انتاج سيارات</p>	
<p>والتي تعرف بالاسمين التاليين :</p> <ul style="list-style-type: none"> <li>1 — KAISER ENGINEERING OF CALIFORNIA.</li> <li>1 — KAISER ENGINEERS OF OAKLAND</li> <li>● KAISER FRAZER.</li> </ul>	<p>California.</p>	<p>انتاج السيارات</p>	
<p>وانتي تعرف باسم :</p> <ul style="list-style-type: none"> <li>KAISER INDUSTRIES CORP.</li> <li>● KAISER JEEP CORP.</li> </ul> <p>والتي تعرف سابقا باسم :</p> <ul style="list-style-type: none"> <li>WILLYS OVERLAND CORP.</li> <li>● KAISER AIRCRAFT &amp; ELECTRONICS DIVISION.</li> <li>● KAISER ALUMINUM &amp; CHEMICAL CORP.</li> <li>● KAISER BAUXITE CO.</li> <li>● KAISER BROADCASTING DIVISION.</li> <li>● KAISER CENTER INC.</li> <li>● KAISER COMMUNITY HOMES.</li> <li>● KAISER ELECTRONICS INC.</li> <li>● KAISER ENGINEERS DIVISION.</li> <li>● KAISER ENGINEERS INTERNATIONAL DIVISION.</li> <li>● KAISER FOUNDATION HOSPITALS.</li> <li>● KAISER FOUNDATION HEALTH PLAN INC.</li> </ul>		<p>انتاج السيارات</p>	

الاسم	المنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> <li>KAISER FOUNDATION HEALTH PLAN, INC.</li> <li>KAISER FOUNDATION MEDICAL CARE PROGRAM.</li> <li>KAISER FOUNDATION SCHOOL OF NURSING.</li> <li>KAISER GYPSUM CO. INC.</li> <li>KAISER HAWAII — KAI DEVELOPMENT CO.</li> <li>KAISER MANUFACTURING CORP.</li> <li>KAISER SAND GRAVEL &amp; DIVISION.</li> <li>KAISER SERVICES.</li> <li>KAISER STEEL CORP.</li> <li>KANAUHA VALLEY POWER CO.</li> <li>KAUFMAN BROS.</li> <li>KENILWORTH PARK, INC.</li> <li>KENSINGTON REALTY CO. INC.</li> <li>KENNEBY CABOT &amp; CO.</li> <li>KENNEBEC PULP &amp; PAPER DIVISION.</li> <li>KENNEDY GALLERIES INC.</li> <li>KENTUCKY POWER CO.</li> <li>KEYSTONE CONTROLS CORP.</li> <li>KINGSPORT UTILITIES INC.</li> <li>KAISER AEROSPACE &amp; ELECTRONICS CORP.</li> </ul>	<p>Washington D. C.</p> <p>460 Wilshire Blvd. Beverly Hills, Calif.</p> <p>13 East 58 St., New York.</p> <p>Newark, New — Jersey.</p> <p>وعنوان مركزها الرئيسي : Kaiser Center — 300 Lakeside Drive Oakland, California 94604 ومصانعها الموجودة في : — San Leandro. مدينة California. ولاية (مصنع أجهزة للطائرات والصواريخ) — Palo Alto. مدينة California. ولاية (مصنع للأجهزة الالكترونية) — Glendale. مدينة California. ولاية</p>	<p>تقوم بالاعمال الكهربائية</p> <p>توك بنايات للسكن في واشنطن</p> <p>بيع وشراء الاوراق المالية ( السندات الأجنبية )</p> <p>رسوم لوحات القرن ١٨ وتجارة الخشب المحفور للزينة الكهربائية</p> <p>تقوم بالاعمال</p> <p>صناعة الاجهزة والمعدات الالكترونية</p>	

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> <li>● KAISER ALUMINIUM.</li> <li>● KAISER ALUMINUM &amp; CHEMICAL SALES INC.</li> <li>● KAISER ALUMINUM INTERNATIONAL CORPORATION.</li> <li>● KAISER ALUMINUM INTERNATIONAL INC.</li> <li>● KAISER CEMENT &amp; CYPSTUM CORP.</li> <li>● KAISER CHEMICALS INTERNATIONAL.</li> <li>● KAISER COMPANY — ENGINEERING AND CONSTRUCTION.</li> <li>● KAISER COMPANY INC. ENGINEERING AND CONSTRUCTION.</li> <li>● KAISER — COX CORP.</li> <li>● KAISER ELECTRONICS INC.</li> <li>● KAISER ENGENHARIA. E. CONSTRUCOES LIMITADA.</li> <li>● KAISER ENGINEERS AND CONSTRUCTION INC.</li> <li>● KAISER ENGINEERS FEDERAL INC.</li> <li>● KAISER ENGINEERS INC. ENGINEERING AND CONSTRUCTION. IN MICHIGAN.</li> <li>● KAISER ENGINEERS INTERNATIONAL CORP.</li> <li>● KAISER ENGINEERS INTERNATIONAL INC.</li> <li>● KAISER ENGINEERS OVERSEAS CORP.</li> <li>● KAISER FOUNDATION.</li> <li>● KAISER FOUNDATION HEALTH PLAN OF OREGON.</li> <li>● KAISER INTERNATIONAL LTD.</li> <li>● KAISER INTERNATIONAL LTD.</li> </ul>	<p>( مصنع للأجهزة الالكترونية )  — Phcenix. مدينة  Arizona. بولاية  ( مصنع للروس ومجموعاتها  المستعملة في الطائرات والصواريخ )</p> <p>Kaiser Center — 300 Lakeside Drive, Oakland, California 94604.</p> <p>U. S. A.</p>	<p>لصناعة الاسمنت  ومنتجات الجبس</p>	



الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> <li>KAISER JEEP INDUSTRIES CORP.</li> <li>KAISER JEEP SALES CORPORATION.</li> <li>KAISER ALUMINUM TECHNICAL SERVICES INC.</li> <li>KELITA SPORTSWEAR CO.</li> <li>KENMORE.</li> <li>KINGS COUNTRY LAFAYETTE TRUST CO.</li> </ul>	200 Montague St. Brooklyn. N. Y.	انتاج وتوزيع ملابس الرياضية للنساء ماركة مصرف	
<p>سابقا تعرف باسم :</p> <p>LAFAYETTE NATIONAL BANK.</p> <ul style="list-style-type: none"> <li>KAISER ALUMINIUM.</li> <li>KAISER CEEMICALS INTERNATIONAL.</li> <li>KENDALL REFINING CO.</li> <li>KAISER STEEL CORP.</li> </ul>	P. O. Box 217 Fontana. California 92335.	مصنع	
<ul style="list-style-type: none"> <li>KINGSBORD MILLS.</li> <li>KLEVEN SHOE CO. INC.</li> <li>KNOMARK ( ESQUIRE ) INC.</li> <li>KNOPF BOOKS.</li> </ul>	<p>132 — 20 Merick Blvd Springfield Gardens N. Y.</p> <p>مكاتب التحرير :</p> <p>427 Madison Ave. New York.</p> <p>مكاتب العمل :</p> <p>33 W. 60 St. New York.</p>	دار للنشر	
( L )			
<ul style="list-style-type: none"> <li>LAWRENCE SCHACHT.</li> <li>LEARNING MATERIALS INC.</li> <li>LEATHER PALM.</li> <li>LEFF FOUNDATION.</li> </ul>	<p>200 — E 57Th. Street New York City New York N. Y.</p>	مكتب تسويق	
<ul style="list-style-type: none"> <li>THE LEMBERG FOUNDATION.</li> <li>LEUMI SECURITIES CORP.</li> </ul>	<p>350 — Fifth Avenue New York City.</p> <p>400 Madison Avenue N. Y. C.</p>	ماركة	
<ul style="list-style-type: none"> <li>L. GRIEF &amp; BROS.</li> <li>LA DOLCE.</li> <li>LADY ESQUIRE.</li> <li>LAZARD FRERES.</li> </ul>	<p>60 Broad Street New York 4. New York.</p> <p>44 Wall Street. New York. N. Y.</p>	<p>تعمل في سوق البورصة</p> <p>بيع الملابس للرجال</p> <p>ماركة</p> <p>ماركة</p> <p>توزيع اصدارات المال وتعامل في الاسهم</p>	

الاسم	العنوان	الاختصاص	ملاحظات
● LARSAN MFG. CO.	322 W. 48Th St., N. Y. 36 N. Y.	نشر النوت الموسيقية	
● LEEDS MUSIC CORPORATION.			
● LEE FILTER CORP.	191 Talmadge Road N.J. U.S.A.	صنع مصافي الزيت والهواء والبنزين للمحركات	
● LEIDESDORF FOUNDATION INC.	100 East 42Nd. Street.		
● LEMAYNE LTD.	85 Mc. Allister St. San Francisco — California.	استيراد وتصدير	
● LEON ISRAEL & BROTHERS	160 California St. San Francisco.	استيراد المنتجات الاسرائيلية	
● LEONARD CONSTRUCTION CO. INC.	شيكاغو — ولاية إلينوي		
● LEUMI FINANCIAL CORP.	60 — Wall Street — New York N. Y.	الاعمال المالية	
● LEWIS PRODUCTS CO.	520 Williams Wichita Kansas U. S. A.	جمعية تابعة لمنظمة	
● L. FEIBLEMAN & CO.			
● LABOR ZIONIST ORGANIZATION.	55 Mator Avenue Farmingdale, L. I. New York.	تمتلك شركة مصافي الزيت الاسرائيلية	
● LITWIN CORP.			
● LEXIM.	Mator Avenue Farmingdale, New York.	تشرف على تاجيد الاراضي	
● LIBERIA MINING CORP. LTD.			
● LIBERTY INDUSTRIAL PARK CORP.	305 — Broadway N. Y. C.	ماركة لتاجير السيارات	
● LILY MILLS CO.			
● LINCOLN CONTINENTAL.	1270, 6Th. Avenue (Room 2701) N. Y. C.	تتمطي تجارة الاحجار الثمينة والماس قطعه وصقله	
● LINCOLN — MERCURY DEALER LEASING ASSOCIATION.			
● LIPSCHUTZ & GUTWIRTH CO.	Long Island City N. Y. 11101.	ماركة انتاج مختلف الحاويات	
● LOCORE.			
● LOFT CANDY CORP.	1170, Broadway, New York L. N. Y. — U. S. A.	ماركة	
● LOVE PAT.			
● LEWIT YARN CO.	San Francisco — Calif.	تقوم ببناء المنازل في كاليفورنيا	
● LEYLAND MOTORS ( U. S. A. )			
● L. H. LINCOLN CORP.			
● LICENSING DIVISION & BOTANY PRODUCTS CORP.			

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> <li>● LIFETIME FOAM PRODUCTS INC.</li> <li>● LOCHWOOD APARTMENTS INC.</li> <li>● LOCK JOINT AMERICA INC.</li> <li>● LOCK JOINT PIPE CO. ( SHERMAN CONCRETE PIPE CO. )</li> <li>● LOEWENGART &amp; CO. LTD.</li> <li>● THE LOCK JOINT PIPE CO. وتعرف الآن باسم : INTERNATIONAL PIPE &amp; CERAMIC.</li> <li>● LONDON STAR DIAMOND CO. ( NEW YORK ) INC.</li> <li>● LORCA INC.</li> <li>● LORD &amp; BISHOP INC.</li> <li>● LORD &amp; TAYLOR CO.</li> </ul>	<p>في بورتوريكو</p> <p>443 Park Ave. So. New York 16 — N. Y. U. S. A. East Orange New Jersey.</p> <p>135 West 50Th Street New York City. New York 10020. 15Th Floor 1384 Broadway — New York 18 — N. Y.</p> <p>في ساكرامنتو ومخازنها التسعة في المدن الأمريكية التالية : — New York. — Manhasset. — Westchester. — Mililburn. — West Hartford. — Bala— Cynwyd. — Garden City. — Washington. — Chevy — Chash — Jenkintown.</p> <p>بمدينة نيويورك 350. Fifth Avenue, New York 1 — N. Y. U. S. A.</p>	<p>انتاج انابيب المياه .</p> <p>التعهدات العامة</p> <p>صناعة وتكرير النفط والدهانات والمواد الكيميائية</p>	
( M )			
<ul style="list-style-type: none"> <li>● MADEIRA KNITS LTD.</li> <li>● MAGNETIC PRODUCTS DIVISION.</li> <li>● MAJESTIC SPECIALITIES CO.</li> <li>● MACCO CORP.</li> <li>● MACCO REALTY COMPANY.</li> </ul>	<p>6800 East 30Th Street Indianapolis — Indiana.</p> <p>7844 E. Rosecrans Blvd Clear Water St. Paramount Calif.</p> <p>في بارامونت</p>	<p>انتاج وتوزيع ملابس الرياضة للنساء المنتجات المغناطيسية</p> <p>انتاج وتوزيع ملابس الرياضة للنساء</p>	

الاسم	العنوان	الاختصاص	ملاحظات
● MACHINERY TRADING CORP.			
● MOTOROLA COMMUNICATIONS ELECTRONICS INC.			
● MOTOROLA INC.			
● MOTOROLA OVERSEAS CORP.	4545 W. Augusta Blu Chicago 51 Illinois.		
● MOTOR WAYS INC.	( N. Y. )		
● MULTICUT.		ملركة	
● MURRAY HILL LODGE.			
● MURPHY RETAIL CO.			
● MUSTANG.		ملركة	
● MUTUAL LEE INSURANCE CO. OF NEW YORK.	1740 Broadway New York N.Y.		
● MUSHER FOUNDATION.	253 West 57Th Street New York.	الاعمال التجارية كتجيرة الادوية ووكلاء تسجيل الملامات انفاقة وحقوق الامتياز	
● MACKINTOSH HEMPHILL CO.	ولاية ديلاوير	حماية الاسهم	
● MARITIME OVERSEAS CORP.	511 — Fifth Avenue — New York.		
● MARQUETTE TOOL MANUFACTURING CO. INC.	ولاية النيوى		
● MARTIN INTERNATIONAL	30 W. 39Th St. New York 18 N. Y.	تجارة المنسوجات	
● MARTIN WOLMAN & CO.			
● MARMARA PETROLEUM CORP.		للبنترول	
● MASSACHUSSETTS MUTUAL LIFE INSURANCE CO.	1205 Stage Street — Spring Field Mass. — U. S. A. وفرعها فى واشنطن وعنوانه : 777 — 14Th & H. Street N. Y. Washington D. C.	للتأمين	
● MATTIQUE LTD.			
● MATE STYLE INC.	22. West 32Nd St., New York. I. N. Y.		
● MAYFAIR TRADING CO.	381 Park Ave. South. New York 16 — N. Y.		
● MEDITERRANEAN AGENCIES.		ملاحة	
● MEDITERRENEAN INC.			

الاسم	العنوان	الاختصاص	ملاحظات
1. RUTT — CHAPMENT & SCOTT INC. MERK ROSS & CO.	350, 5Th. Ave., New York. 167 First St., San Francisco California.	اتواع البناء المختلفة استيراد انتحاس والفضنق الفنية والخزف من اسرائيل	
METALOCK REPAIR SERVICE. METROPOLIS BREWERY OF JERSEY INC. METROPOLITAN SARINGS & LOAN ASSOCIATION. M. FIRESTONE CO. INC.	1024 Lambert St., Trenton New Jersey. 22 W. 49Th St., N. Y. 36 N. Y.	صناعة وتجارة المشروبات الروحية تجارة الماس	
M. HAUSMAN & SONS INC. MILES CALIFORNIA CO.	Los Angeles.	مصنع للتسيج	
• MILES CHEMICALS CO.	Elkhart.	بمدينة كنيفورنيا	
• MILES INTERNATIONAL.	Elkhart.	بمدينة ولاية انديانا	
• MILES LABORATORIES INC.	Elkhart.	بمدينة ولاية انديانا	
• MILES LABORATORIES PAN AMERICAN INC.	Elkhart.	بمدينة ولاية انديانا	
• MILES PRODUCTS.	Elkhart.	بمدينة ولاية انديانا	
• MILTENBERG & SAMTON INC.	Zeeland. Clifton. — 10 East 40Th Street New York 16, N. Y. — 15 Moors St. New York 4 N. Y.	ولها فرعان ايضا : 1 - في مدينة 2 - في مدينة في نيوجرسي بولاية ميشيغان	استيراد وتصدير
• MILTON J. FISHER. • MINKUS MIDWEST INC. • MINKUS PUBLICATIONS INC. • MINKUS STAMP AND COIN CO. • M. LAWENSTEIN & SON INC. • M. L. ROTHSCHILD CO. • MOLOR DEE TEXTILE CORP. • MONARCH FIRE INSURAN- CE CO.	Chicago — Illinois. 115, West 30Th. St. N. Y. 1, N. Y. Philadelphia — P. A. 1430 Broadway, New York 18, N. Y. Chicago. Delaware.	انتاج الالبسة تجارة الطوابع والعملات الاجنبية انتاج الاقمشة التسيج	

الاسم	العنوان	الاختصاص	ملاحظات
● MONARCH WINE CO. LTD.	4500 Second Avenue Brooklyn 32 — N. Y. U. S. A.	اعمال الوكالة	
● MONSANTO CHEMICAL COMPANY.	800 No Lindbrgh Rd. Ccor. Olive, St. Rd. 1700 — 24 50 2Nd St.	صناعة الكيماويات الصنعية والمضوية والبلاستيك	
● MONSANTO EXPORT CO. INC.	في سنت لويس		
● MONSANTO INTERNATI- ONAL FINANCE COMPANY.	في سنت لويس		
● MONSANTO RESEARCH CORP.			
● MOORE & THOMPSON PAPER CO.			
● MORGENSTEIN INC.	580 Fifth Ave. New York 19 N. Y.	استيراد المس	
● MAJOR BLOUSE CO.			
● MALLERNEE'S NEW YORK		مخزن لبيع الالبسة	
● MANNEQUIN SHOE CO.			
● MANSCO.			
● MARYLAND CLUB.		ماركة	
● MAZON.		ماركة	
● MC. GREGOR DONIGER INC.	666 Fifth Avenue New York 19 — N. Y.		
● MECHANICAL MIRROR WORKS OF NEW YORK.	661. Edgecombe Avenue, New York N. Y.		
● MERCURY & MERCURY S. 55.		ماركة	
● METAL LUMBER.		ماركة	
● METEOR.		ماركة	
● METROPOLITAN COUNCIL.	New York.		
● MEYER BROTHERS PAR- KING SYSTEMS INC.			
● MIRCO — SYSTEMS INC.			
● MIMUTE MADE.		ماركة	
● MINERALS & CHEMICALS.	بالتيمور		
● MINERALS & CHEMICALS PHILIPP CORP.			
● MINUTE MAID GROVES CORP.	Orlando — Florida.	انتاج وتعليب شراب الليمون والبرتقال	
● MISSILE AND SURFACE RADAR DIVISION.			
● MISSOURI ROGERS CORP.	Joplin, Mo.		
● MOCHA, JAVA.		ماركة	
● MODERN ORTHO PEDIC.			
● MONSIEUR BALMAIN.		ماركة	
● "MOONDROPS" MOISTU- RIZING BATH OIL.		ماركة	



الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> <li>● MOON DROPS MOISTURE LIPSTICK.</li> <li>● MANHATTAN SHIRT CO.</li> <li>● MIAMI OXYGEN SERVICES INC.</li> </ul>	<p>Time And Life Building 1271 Avenue of The Americas — New York. N. Y. 10020.</p> <p>7610 N. Y. 23Rd Avenue.</p> <p>ا — المكتب التنفيذي : 1271 Avenue of The Americas New York. N. Y.</p> <p>ب — المكتب الإداري : 207 River Street Paterson New Jersey.</p> <p>ج — مكاتب بيع الملابس الرجالية : للشركة موضوع البحث ( سنة ) مكاتب موزعة بالمدن التالية : 1- 1271 Avenue of The Americas New York. N. Y. 2- Merchandise Mart Atlanta, Georgia. 3- Merchandise Mart Chicago, Illinois. 4- Merchandise Mart Dallas, Texas. 5- California Mart Los Angeles, California. 6- 821 Market Street San Francisco, California.</p> <p>د — مكتب بيع الملابس النسائية 1- 1407 Broadway New York N. Y. 2- Merchandise Mart Chicago, Illinois. 3- California Mart Los Angeles, California. 4- 821 Market Street San Francisco, California.</p> <p>مراكز مصانع انشركة موضوع البحث : للشركة موضوع البحث عشرة مصانع في المدن التالية : 1- Americus, Georgia. 2- Ashburn, Georgia. 3- Charleston Heights, South Carolina. 4- Guayama, Puerto Rico. 5- Jesup, Georgia. 6- Lexington, North Carolina.</p>		

الاسم	المنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> <li>● MIAMI FLORIDA.</li> <li>● MACCO PRODUCTS CO.</li> <li>● MOTOROLA AUTOM OTIVE PRODUCTS INC.</li> <li>● MINERALS &amp; CHEMICALS DIVISION.</li> <li>● MINERALS &amp; CHEMICALS PHILIPP CO.</li> </ul>	<p>7- Kingston, New York. 8- Middletown, New York. 9- Salisbury, Maryland. 10- Scranton, Pennsylvania. مراكز توزيع البضائع : للشركة موضوع البحث ثلاث مراكز للتوزيع في المدن التالية :</p> <p>1- Paterson, New Jersey. 2- South San Francisco, California. 3- Winnsboro, South Carolina.</p> <p>7900 18Th Avenue N. Y. Largo Florida.</p>		
( N )			
<ul style="list-style-type: none"> <li>● NITRO INDUSTRIES CORP.</li> <li>● NORTH POINT LAND CO.</li> <li>● NANNETTE CASHMERES INC.</li> <li>● NASSAU BRASSIERE CO.</li> <li>● NATIONAL STEEL &amp; SHIP-BUILDING CO.</li> <li>● NATIONAL BREWERY LTD.</li> <li>● NATIONAL DYNAMICS CORP.</li> <li>● NATIONAL EMBLEM INC. CO.</li> <li>● THE NATIONAL PLASTIC PRODUCTS CO., ODENTOR.</li> <li>● NATIONAL SHOE PRODUCT CO.</li> <li>● NATIONAL — WIDE INSTALLAION INC.</li> <li>● NEW ENGLAND MUTUAL LIFE INSURANCE CO.</li> </ul>	<p>في بفترو — ولاية وست — فرجينيا</p> <p>1410 — Broadway — New York — 18. N. Y.</p> <p>220 East 23Rd N. Y. 10 N. Y.</p> <p>Maryland.</p> <p>501 — Boylston Street — Boston 17 — Massachusettes. وفرعها الكائن في واشنطن وعنوانه : 720 Woodward Building, 15Th Street, Washington D. C.</p>	<p>تعمل في انتاج المعادن وتصفيتها</p> <p>الآلات والادوات الصناعية</p> <p>مصناعة البلاستيك واللدائن</p>	

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> <li>NEWARK OHIO CO.</li> <li>NEW WEST OPTICAL CO.</li> <li>NEW YORK MERCHANTISE CO. INC.</li> <li>NILES &amp; BEMENT FOND CO.</li> <li>NASHVILLS AVENUE REALTY CO. INC.</li> <li>NATIONWIDE SHOE CO.</li> <li>NATIONAL BROADCASTING CO. INC. ( N. B. C. )</li> <li>NATIONAL COMMUNITY RELATION ADVISORY COUNCIL — NCRAC.</li> <li>NATIONAL COUNCIL OF JEWISH WOMEN INC. — NCJW.</li> <li>NATIONAL JEWISH WELFARE BOARD JWB.</li> <li>NATIONAL SPINNING CO.</li> <li>NATIONAL STEEL &amp; TIN-PLATE WAREHOUSE INC.</li> <li>NATIONAL WORSTED MILES.</li> <li>NATIONAL YARN CORP.</li> <li>NATIONAL YARN CORP.</li> <li>NATURAL WONDER MEDICATED TOTAL SKIN LOTION.</li> <li>N. B. C. ENTERPRISES.</li> <li>N. B. C. NEWS.</li> <li>N. B. C. RADIO — NETWORK.</li> <li>N. B. C. STATIONS &amp; SPORT SALES.</li> </ul>	<p>280 West 7Th St., Los Anglos. California, U. S. A. 32 — 46. W. 23 Rd. St. New York 10 — N. Y. U. S. A.</p> <p>55 West 42Nd Street — New York. New York 10036.</p> <p>1 West 47Th Street New York New York 10036.</p> <p>145 East 32Nd Street New York 10016. 350 Fifth Avenue New York. ومصانعها الموجودة في : — واشنطن — كارواينيا الشمالية بجن : — وارسو — واينفيل — بلونت ونيو يورك ( بمدينة جينسي ناون ) 2001 South Delaware Avenue Philadelphia 48 Pennsylvania. Jamsetown — New York. ومصنعها الموجود في مدينة : Falconer. ولاية نيويورك لصناعة الخبوط الصناعية في : Cleveland — Ohio. 110 E. 9Th. Street. Los Angeles — California.</p>	<p>انتج الأدوات البصرية الدقيقة</p> <p>تختص في ادارة شئون محطات السراديو وانتلفزيون التي تملكها وعددها ( ١١٩ ) منظمة</p> <p>منظمة</p> <p>جمعية</p> <p>ملركة</p>	

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> <li>● N. E. C. TELEVISION NETWORK.</li> <li>● NILATIL.</li> <li>● NOONAN T. SONS CO.</li> </ul>	<p>1350 Columbia Road Boston Massachusetts. وغيره، الموجود في العنوان التالي : 430 Warberley Street Framingham Massachusetts. 63 Curlew Street Rochester N. Y.</p>	مركبة	
<ul style="list-style-type: none"> <li>● NORRY ELECTRIC CORP. وتعرف باسم : ELECTRIC EQUIPMENT CO. NORRY EQUIPMENT.</li> <li>● NORRY EQUIPMENT. وتعرف باسم : ELECTRIC EQUIPMENT CO. و : NORRY ELECTRICCORP.</li> <li>● NATIONAL COUNCIL FOR JEWISH EDUCATION.</li> <li>● NATIONAL UNION ELECTRICAL CORP.</li> <li>● NEW YORK — 350 FIFTH AVENUE.</li> <li>● NOXON MILLS, INC.</li> </ul>	<p>63 Curlew Street Rochester N. Y.</p> <p>Box 1157 Stamford Connecticut New York 1. N. Y. U. S. A.</p> <p>Daltomgeorgia.</p>	جمعية تابعة لمنظمة	
( O )			
<ul style="list-style-type: none"> <li>● OCEAN CLIPPERS INC.</li> <li>● OCEAN TRANSPORTATION.</li> <li>● OFER STYLE.</li> <li>● OHAWA HYDRAULIC SILICA.</li> <li>● OHIO POWER CO.</li> <li>● THE OLYMPIC GLOVE CO. INC.</li> <li>● OMNI FABRICS.</li> <li>● ONAN DIVISION. ( D. W. ONAN &amp; SONS INC. )</li> <li>● ORCO INDUSTRIES LTD.</li> <li>● ORIENTAL EXPORTERS LTD.</li> <li>● ORISCO CORP.</li> </ul>	<p>في نيويورك في نيويورك</p> <p>1182 Broadway New York City U. S. A.</p> <p>في شيكاغو</p> <p>95 Madison Ave. New York 16. N. Y. 460 Park Ave. South New York 16. N. Y.</p>	<p>تجارة المواد الاسرائيلية</p> <p>تقوم بالاعمال الكهربائية صناعة القفازات</p> <p>استيراد المنسوجات</p> <p>صناعة</p>	
	ميامي — فلوريدا	<p>منتجات الصلب الاعمال التجارية استيراد وتصدير منتجات الصلب</p>	

الاسم	المنشآت	الانتساب	متمنات
LITE ENGINEERING RP. ERSEAS DISCOUNT RP. T. OPEN TRUSS. TO PREMINGER FILM. والاسم الحقيقي للشركة الـ هو : :MA PRODUCTIONS : ERSEAS AFRICAN CON- STRUCTION CO. ( مدرجة بقسم الصومال ) ERSEAS PUBLIC UTILI- S AND GAS CORP. /ENS ILLINOIS. /ENS ILLINOIS GLASS S. INC.	61 Broadway N. Y. 6. N. Y.  711 — Fifth Avenue. New York. N. Y.  تعمل في الصومال  55 West 42 Nd. St. Boroukh of Manhattan New York. شيكغو Box. 901. Toledo. Ohio U. S. A.	الاعمال المصرفية والتمويل مركبة شركة سينمائية      تختص في صنع الاوعية الزجاجية والالكترونية والبلاستيكية	
GLASS CONTAINER VISION. GLASS CONTAINER ANTS.	قسم الاوعية الزجاجية مصانع الاوعية الزجاجية في المدن التالية : — Alton. Ill. — Atlanta. Georgia. — Bridgeton. N. J. — Brockport. N. Y. — Charlote. Mich. — Clarion. Pa. — Fairmont. W. Va. — Gas City Ind. — Huntington. W. Va. — Lakeland. Fla. — Los Angeles. Calif. — New Orleans. La. — North Dergen. N. H. — Oakland. Calif. — Portland. Oreg. — Streater. Ill. — Tracy. Calif. — Waco. Texas.		
CLOSURE PLANTS :	مصانع الوصلات في المدن التالية : — Glasboro. N. J. — St. Charles. Ill. — San Jose. Calif.		
SAND PLANTS :	مصانع الرمل في المدن التالية : — Corona. Calif.		

الاسم	المنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> <li>● 4. MACHINE SHOPS :</li> <li>● 5. INK AND DIE PLANT :</li> <li>● 6. MOLD SHOPS :</li> </ul>	<ul style="list-style-type: none"> <li>— Ione, Calif.</li> <li>— Pacific Grove, Calif.</li> <li>ورش الآلات في مدينة :</li> <li>— Godfrey, Ill.</li> <li>مصنع الحبر والمصبغة</li> <li>— Toledo, Ohio.</li> <li>ورش انقواب في المدن التالية :</li> <li>— Alton, Ill.</li> <li>— Durham, N. C.</li> <li>— Oakland, Calif.</li> <li>قسم المنتجات الاستهلاكية والغنية</li> </ul>		
<ul style="list-style-type: none"> <li>● II. CONSUMER AND TECHNICAL PRODUCTS DIVISION.</li> <li>● 1. LIBBEY PRODUCTS PLANTS :</li> </ul>	<ul style="list-style-type: none"> <li>مصانع منتجات ليبي في المدن التالية :</li> <li>— City of Industry, Calif.</li> <li>— Lake City, Pa.</li> <li>— Toledo, Ohio.</li> <li>مصانع منتجات كيمبل في المدن التالية :</li> <li>— Chicago Heights, Ill.</li> <li>— Vineland, N. J.</li> <li>— Warsaw, Ind.</li> <li>مصنع المنتجات الصناعية والالكترونية في المدينتين التاليين :</li> <li>— Columbus, Ohio.</li> <li>— Muncie, Ind.</li> <li>قسم منتجات الغابات ، مصانع الواح الاوعية في المدن التالية :</li> </ul>		
<ul style="list-style-type: none"> <li>● 2. KIMBLE PRODUCTS PLANTS :</li> </ul>	<ul style="list-style-type: none"> <li>— Dig Island, Va.</li> <li>— Jacksonville, Fla.</li> <li>— Jatte, Ohio.</li> <li>— Tomahawk, Wis.</li> <li>— Valdosta, Ga.</li> </ul>		
<ul style="list-style-type: none"> <li>● III. FOREST PRODUCTS DIVISION :</li> <li>● 1. CONTAINERBOARD MILLS :</li> </ul>	<ul style="list-style-type: none"> <li>قسم منتجات الغابات ، مصانع الواح الاوعية في المدن التالية :</li> <li>— Dig Island, Va.</li> <li>— Jacksonville, Fla.</li> <li>— Jatte, Ohio.</li> <li>— Tomahawk, Wis.</li> <li>— Valdosta, Ga.</li> </ul>		
<ul style="list-style-type: none"> <li>● 2. CORRUGATED SHIPPING CONTAINER PLANTS :</li> </ul>	<ul style="list-style-type: none"> <li>مصانع اوعية التعبئة المصنعة في المدن التالية :</li> <li>— Atlanta, Ga.</li> <li>— Aurora, Ind.</li> <li>— Bradford, Pa.</li> <li>— Bristol, Pa.</li> <li>— Charleston, W. Va.</li> <li>— Chicago, Ill.</li> <li>— Circleville, Ohio.</li> <li>— Dallas, Texas.</li> <li>— Detroit, Mich.</li> <li>— Flint, Mich.</li> <li>— Jacksonville, Fla.</li> </ul>		



الاسم	المنوان	الاختصاص	ملاحظات
3. MULTIWALL AND PLASTIC SHIPPING SACKS PLANTS :	<ul style="list-style-type: none"> <li>— Kansas City, Mo.</li> <li>— Long Island City, N. Y.</li> <li>— Los Angeles, Calif.</li> <li>— Madison, Ill.</li> <li>— Memphis, Tenn.</li> <li>— Miami, Fla.</li> <li>— Milwaukee, Wis.</li> <li>— Minneapolis, Minn.</li> <li>— Newark, N. J.</li> <li>— Oakland, Calif.</li> <li>— Salisbury, N. C.</li> </ul>		
4. FIBRE CAN PLANTS :	<ul style="list-style-type: none"> <li>— Valdosta, Ga.</li> </ul>		
IV. PLASTIC PRODUCTS DIVISION :			
1. PLANTS :			
• OWENS — ILLINOIS INTER — AMERICA CORP.	مصنع الأكيس ذات الطبقات المتعددة وأنبلاستيك الشحن فى مدينة :		
• OWENS — ILLINOIS INTERNATIONAL DIVISION.	مصانع الإوعية المصنوعة من مواد صناعية فى المدينين التابطين :		
• OLD COLONY TAR CO. INC.	— Chicago, Ill.		
• OAK ENGINEERING CO.	— Orlando, Fla.		
( P )	قسم منتجات البلاستيك		
• PACIFIC DIAMOND CO.	المصانع فى المدن التالية :		
	<ul style="list-style-type: none"> <li>— Atlanta, Ga.</li> <li>— Baltimore, Md.</li> <li>— Charlotte, N. C.</li> <li>— Chicago, Ill.</li> <li>— Cincinnati, Ohio.</li> <li>— Jersey City, N. Y.</li> <li>— North Kansas, Mo.</li> <li>— Newburyport, Mass.</li> <li>— St. Louis, Mo.</li> <li>— Wayne, N. J.</li> </ul>		
	Toledo, Ohio.		
	Toledo, Ohio.		
	657 Mission St. San Francisco, S. California.		
	وسائر فروعها ومنها الفرع الموجود بولاية أريزونا وعنوانه :		
	305 Goodrich Bldg. Phoenix Arizona.	تجارة الماس	

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> <li>● PACIFIC CRANE &amp; RIGGING CO. INC.</li> <li>● PACIFIC INSTALLERS INC.</li> <li>● PACIFIC DREDGING CO.</li> <li>● PACIFIC GYPSUM CO.</li> <li>● PAGODA ARTS CO.</li> <li>● THE PALESTINE ECONOMIC CORP. U. S. A.</li> <li>● PAMA PROPERTIES INC.</li> <li>● PANTO MINES INC.</li> <li>● PAVELLE TRADING CO.</li> <li>● P. E. C. DIAMOND CORP.</li> <li>● PELTOURS.</li> <li>● PERMANENTE CEMENT CO.</li> <li>● PERMANENTE SERVICES INC.</li> <li>● PERMANENTE SERVICES OF HAWAII INC.</li> <li>● PERRINE REALTY. INC.</li> <li>● PENNSBURG CLOTHING CO.</li> <li>● PENNMUTUAL LIFE INSURANCE.</li> <li>● PENNSYLVANIA DIVISION.</li> <li>● PHILIPP BROS FAR EAST CORP.</li> <li>● PHILIPP BROS INC.</li> <li>● PHILIPP BROS ORE CORP.</li> <li>● PHILADELPHIA INTERNATIONAL INVESTMENT CORP.</li> <li>● PHILADELPHIA NATIONAL BANK.</li> <li>● PHILL SILVERS CO.</li> <li>● PHOENIX ASSURANCE CO.</li> <li>● PHONIX MUTUAL LIFE. INSURANCE CO.</li> </ul>	<p>في برامونت</p> <p>14409 — Paramount — Blvd Paramount.</p> <p>51 Aster Drive, New Hyde Park, New York.</p> <p>1. 400 Madison Avenue N. Y. 17 N. Y.</p> <p>2. 18 East 41 St. New York 17 N. Y.</p> <p>( New Jersey ).</p> <p>1407 — Broadway New York City.</p> <p>220 West 42Nd St., N. Y. 36 N. Y.</p> <p>N. Y. C., N. Y.</p> <p>فيلادلفيا</p> <p>530 Waiunt Street Philadelphia Pennsylvania — U. S. A.</p> <p>70 Pine St. N. Y. 5 N. Y.</p> <p>79 Elm Street Hartford 15, Connecticut. U. S. A.</p>	<p>تجارة واستيراد المجوهرات تعمل على تمويل المشاريع الصناعية والزراعية في اسرائيل والمساهمة فيها</p> <p>استيراد وتوزيع حلويات بيع المس للسيلة</p> <p>للتأمين</p> <p>استيراد وتصدير المعادن والكيمياويات استيراد وتصدير المعادن والمواد الكيمياوية</p> <p>استيراد وتصدير المعادن والمواد الكيمياوية مؤسسة مالية</p> <p>مصرف</p> <p>للتأمين</p>	

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> <li>● PHONOVISION CORP.</li> <li>● PILOT RADIO CORP.</li> <li>● PIONEER WOMEN'S LABOR ZIONIST ORGANIZATION OF AMERICA.</li> <li>● PLASTIMOLD CORP.</li> <li>● PLAX CORPORATION.</li> </ul>	<p>في ايبينوى ( غير عاملة ) N. Y. C. — N. Y. 29 — East 22Nd. Street — New York 10.</p> <p>مقرها ولاية ماسجوستس</p>	<p>انتاج اجهزة الراديو منظمة لجمع الاموال للنساء العاملات في فلسطين</p>	
<ul style="list-style-type: none"> <li>● PORTLAND COPPER &amp; TANK WORKS INC.</li> <li>● PACIFIC COCA — COLA BOTTLING CO.</li> <li>● PACIFIC MILLS DOMESTICS.</li> <li>● PACIFICS POLYMERS INC.</li> <li>● PALESTINE ENDOWMENT FUNDS INC.</li> <li>● PANTHEON BOOKS.</li> </ul>	<p>في ساوث بورتلاند 1313 E. Columbia Street Seattle, Washington 98122.</p> <p>في كاليفورنيا 30 Broad Street N. Y.C.</p> <p>١ — مكتب التحرير : 427 Madison Ave. New York.</p> <p>٢ — مكاتب العمل : 33 W. 60 St. New York</p>	<p>تقوم باعمال المعادن وصناعة الصواريخ</p>	
<ul style="list-style-type: none"> <li>● PATINA CLEANER.</li> <li>● PAUL JONES &amp; CO. INC.</li> <li>● PAUL MASSON INC.</li> <li>● PEARL IMPORT EXPORT CO. INC.</li> <li>● PENNSYLVANIA COAL &amp; COKE.</li> <li>● PERMANENT STEAM SHIP CORP.</li> <li>● PERMANENT TRUCKING CO.</li> <li>● PERVELINE.</li> <li>● PERVINAL.</li> <li>● 34 PET SHOP INC.</li> </ul>	<p>New York.</p> <p>115 Agheroft Avenue Creason — Pennsylvania.</p>	<p>دار للنشر</p> <p>ماركة</p> <p>استخراج الفحم</p>	
<p>( مدرجة ايضا بالابجدية ( T )</p> <ul style="list-style-type: none"> <li>● PHARMA — CRAFT CORP.</li> <li>● PHILCO CORP.</li> </ul>		<p>منركة ملركة</p>	
<ul style="list-style-type: none"> <li>● PHILCO FINANCE CORP.</li> <li>● PHILCO'S INTERNATIONAL DIVISION.</li> <li>● PHILIPP BROS LATIN AMERICAN CORP.</li> <li>● PHILIPP BROS METAL CORP.</li> <li>● PHOENIX INC.</li> </ul>	<p>Tiaga &amp; C. Streets Philadelphia. Pennsylvania. Philadelphia — Pa. Philadelphia — Pa.</p> <p>نيويورك</p>	<p>صناعة الآلات الكهربائية</p>	

الاسم	العنوان	الاختصاص	ملاحظات
● PILOT. (مدرجة أيضا في القسم البريطاني)		مركبة	
● POLICLEAN WHIRLPOOL R. C. A. (مدرجة أيضا بقسم اسبانيا)		علامة تجارية	
● POROCCEL CORP. ● PRATT & WHITNEY MA- CHINE TOOL DIVISION.	Charter Oak Blvd. West Hartford, Connecticut.	صناعة الآلات الضاغطة	
● PRATT AND WHITNEY MACHINE TOOL.	مكتب مبيعات لقسم مدرج 2/11 Gratic Place — Moonachie New Jer.		
● PRATT AND WHITNEY CUT- TING TOOL AND GAGE DIVISION.	Charter Oak Boul Vard West Hartford Connecticut 06101.		
● PIONEER WOMEN. ● PHILCO — FORD CORP. ● PHILCO — FORD.		جمعية تابعة لمنظمة	
● PHENIX ALUMINIUM S. A. ● PHILIPP BROS INDIA LTD.	3875 Fablan Way Polo Alto California.  ومقرها في مدينة نيويورك		
● PROGRESS WEBSTER ELECTRONICS. ● PREFECT. (مدرجة أيضا في القسم البريطاني)	Philadelphia.	مركبة	
● PRINCESS MARCELLA BORGHESE. ● PROFESSIONAL LIBRARY SERVICE.	Santa Ana, California.	مركبة	
● PROSPECT CORP. ● PROVIDENT MUTUAL LIFE INSURANCE OF PHILADEL- PHIA.	4601 — Market Street Philadelphia — Pennsylvania.	للتأمين	
● PUB. ● PUERTO RICAN CARS INC. (مدرجة أيضا في قسم بورتوريكو)		مركبة	
● PYRAMID SHOE MANUF. ● POTER & JOHNSTON CO. ● PRATT & WHITNEY CO. INC.		صنع الأحذية	
● PREMIER INDUSTRIES. ● PRINCETON KNITTING MILLS INC.		انتاج المضخات وأدوات المياه	
		انتاج ملابس السيدات والملابس الرياضية من القطن والرايون والصوف	

الاسم	العنوان	الاختصاص	ملاحظات
( Q )			
<ul style="list-style-type: none"> <li>● QUIK — EASE.</li> <li>● QUINCY COMPRESOR DIVISION.</li> <li>● QUICK — WAY TRUCK SHOUL.</li> <li>● QUIET HEET MANUFAC-TURING CORP.</li> <li>● QUINCY COMPRESOR DIVISION.</li> </ul>	<p>217 Maine Street Quincy. Illinois.</p> <p>في نيويورك</p> <p>مكتب مبيعات</p> <p>3/47 Fifth Avenue New York.</p>	<p>ماركة</p> <p>الآلات الضاغطة للهواء</p> <p>انتاج المضخات وادوات المياه</p>	
( R )			
<ul style="list-style-type: none"> <li>● R. A. M. RETAIL APPAREL FOR MEN.</li> <li>● R. C. A.</li> <li>● R. C. A. 301</li> <li>● REALTON ELECTRONICS CO. LTD.</li> <li>● RALLI BROS (NEW YORK) INC.</li> <li>● RASSCO FINANCIAL CORP.</li> </ul>	<p>New York.</p> <p>Central &amp; Terminal Aves. Clark New Jersey.</p> <p>71. Fifth Avenue New York 3. N. Y. U. S. A.</p> <p>250 W. 57Th St.</p>	<p>بيع الملابس</p> <p>ماركة</p> <p>اعمال مالية</p>	
<p>المؤسسة المالية</p> <ul style="list-style-type: none"> <li>● RASSCO RURAL &amp; SUBURBAN SETTLEMENT CO. LTD.</li> <li>● RAULAND CORP. OF CHICAGO.</li> <li>● ROTOSIN INDUSTRIES LTD. BEAUNIT MILLS INC.</li> <li>● RO — SEACH INC.</li> <li>● ROTHLEY INC.</li> </ul>	<p>عنوان مكتبها الرئيسي :</p> <p>11. West 42 St. New York N. Y. S. S. A.</p> <p>New York.</p> <p>Waynesville N. C. — 160 Madison Avenue N. Y. وفرعها في شيكاغو الذي يحمل نفس الاسم وعنوانه : — 307 West Vaa. Buren St. Chicago 111.</p>	<p>تمويل الافراد والصناعات الخاصة بالبناء في اسرائيل اقامة مشاريع مختلفة في كافة انحاء العالم تستهدف دعم اسرائيل صناعة لبات التلفزيون انتاج خيوط الحرير والكتان الصناعي انتاج المطاط والاحذية صناعة الملابس بقواعها</p>	
<ul style="list-style-type: none"> <li>● RUBBER CO. OF CHELSEA. MASS.</li> </ul> <p>حاليا باسم :</p> <p>AMERICAN BILTRITE RUBBER CO. INC.</p> <ul style="list-style-type: none"> <li>● RUDIN NEEDLE KRAFT.</li> </ul>	<p>45 / West 34 Street New York. 1. N. Y.</p>	<p>انتاج احذية المطاط</p>	

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> <li>● RUSSCO INDUSTRIES INC.</li> <li>● REPUBLIC CORP.</li> <li>● REPUBLIC PRODUCTIONS CORP.</li> <li>● REPUBLIC PRODUCTION INC.</li> <li>● REPUBLIC PICTURES INTERNATIONAL CORP.</li> <li>● REVLON INC.</li> <li>● REVLON INTERNATIONAL CORP.</li> <li>● REYNOLDS CONSTRUCTION CORP.</li> <li>● وتميل في الصومال تحت اسم : OVERSEAS AFRICAN CONSTRUCTION CO.</li> <li>● REYNOLDS FEAL CORP.</li> <li>● R. H. COLE &amp; CO. LTD.</li> <li>● THE RICHELIEU CORP.</li> <li>● RIO DE LA PLATA TRADING CORP.</li> <li>● RIPEL SHOE PRODUCTS CO.</li> <li>● ROBERT R. NATHAN ASS. INC.</li> <li>● ROBISON — ANTON TILE CO. INC.</li> <li>● ROBISON INDUSTRIES CORP.</li> <li>● ROBISON TEXTILE CO.</li> <li>● ROCKWOOD SPRINKLER.</li> <li>● R. C. A. 501.</li> <li>● R. C. A. 601.</li> <li>● R. C. A. BROADCAST &amp; COMMUNICATIONS PRODUCTS DIVISION.</li> <li>● R. C. A. COMMERCIAL RECEIVING TUBE &amp; SEMI — CONDUCTOR DIVISION.</li> </ul>	<p>State St. 344. Leetonia Rd. Columbia, Ohio — U. S. A.</p> <p>4024 Radford Avenue, North Hollywood, California.</p> <p>4024 Radford Avenue, North Hollywood, كاليفورنيا</p> <p>4024 Radford Avenue North Hollywood, California.</p> <p>666, 5Th. Ave., New York. 19 N. Y., U. S. A.</p> <p>N. Y.</p> <p>وعنوانها في نيويورك : — 120 Wall St. N. Y. 5 N. Y.</p> <p>وفي واشنطن : — Hill Building Washington 6.</p> <p>120 Wall St., N. Y. 5 N. Y.</p> <p>15 White Hall St., N. Y.</p> <p>1218 16Th St., H. W. Washington. ( New York ).</p> <p>434 — 52 Nd. Street — West New York, New Jersey. ( New Jersey ).</p>	<p>صناعة الافلام</p> <p>ادوات التجميل</p> <p>ادوات التجميل</p> <p>انشاء المباني</p> <p>انشاء المباني</p> <p>الاعمال التجارية استيراد وتصدير  وتمثيل شركات</p> <p>الاستشارة الاقتصادية</p> <p>صناعة النسيج القطنى والنايلون وكذلك صنع الاصطفة</p> <p>صناعة مختلف الانسجة انتاج اجهزة مكافحة الحريق ومعدات الامان ماركة ماركة</p>	





الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> <li>● R. C. A. VICTOR COMPANY LTD.</li> <li>● R. C. A. VICTOR DISTRIBUTING CORP.</li> </ul>	<p>ولها فروع في المدن التالية :</p> <p>Atlanta — Georgia. Chicago — Illinois. Kansas City — Kansas. Wichita — Kansas. Buffalo — New York. Detroit — Michigan. Los Angeles — California.</p>	للتسويق	
<ul style="list-style-type: none"> <li>● R. C. A. VICTOR HOME INSTRUMENTS DIVISION.</li> <li>● R. C. A. VICTOR RECORD DIVISION.</li> <li>● R. C. A. WHIRLPOOL.</li> <li>● R. C. A. WHIRLPOOL CORP.</li> <li>● RANCHERO.</li> <li>● RANDON HOUSE INC.</li> <li>● RASSCO ISRAEL CORP.</li> </ul>	<p>وهو المركز الرئيسي في الولايات المتحدة</p> <p>535 Madison Avenue New York N. Y. 10022.</p> <p>ولها مكاتب في :</p> <p>١ — في لوس أنجلوس وعنوانه : 5410 Wilshire Blvd Los Angeles 36 California.</p> <p>٢ — في شيكاغو وعنوانه : 100 West Monroe Street Chicago 3 Illinois.</p> <p>ولها مخزن لبيع الاحذية النسائية في نيويورك :</p>	<p>أجهزة الراديو والمسجلات والتلفزيون والسماعات انتاج الاسطوانات واشربة التسجيل</p> <p>متركة للنشر والطباعة</p>	
<ul style="list-style-type: none"> <li>● RAVNE — DELMAN SHOE CO.</li> <li>● READY — 4.</li> <li>● REAL GOLD.</li> <li>● THE REALISTIC CO.</li> </ul>	<p>3264 Beekman St. Cincinnati — Ohio.</p>	متركة	
<ul style="list-style-type: none"> <li>● REPLIQUE.</li> <li>● REPUBLIC SHOE CO.</li> <li>● THE REPUBLIC STEEL CORP.</li> </ul>	<p>225, W. Prospect Ave. Cleveland 15 — Ohio.</p> <p>وكذلك مصانع الشركة المذكورة الموجودة في الأماكن التالية :</p> <p>1 — Cleveland, Ohio. 2 — Detroit, Michigan. 3 — Brooklyn, New York. 4 — Elyria, Ohio.</p>	متركة	
		صناعة المنتجات الفولاذية	

الاسم	المنشآت	الاختصاص	ملاحظات
<ul style="list-style-type: none"> <li>● REPUBLIC SUPPLY CO.</li> <li>● RESEARCH AND ADVANCED ENGINEERING DIVISION.</li> <li>● RESERVE MINING CO.</li> <li>● REVLOK COSMETICS.</li> <li>● REVLOK HAIRCOLOR CLINIC.</li> <li>● REVLOK HAIR COLOR INSTITUTE.</li> <li>● REVLOK IMPLEMENTS CORP.</li> <li>● REVLOK INC.</li> <li>● REVLOK INC.</li> <li>● RELIGIOUS ZIONISTS OF AMERICA.</li> <li>● R. C. A. INTERNATIONAL DIVISION.</li> <li>● RUMAC MOLDED PRODUCTS INC.</li> <li>● REVLOK INC. LABS.</li> <li>● REVLOK RESEARCH CENTER.</li> </ul>	<p>5 — South Chicago, Illinois.  6 — Warren, Ohio.  7 — Niles, Ohio.  8 — Newton Falls, Ohio.  9 — Massillon, Ohio.  10 — Canton, Ohio.  11 — Youngston, Ohio.  12 — Gadsden, Alabama.  13 — Birmingham, Alabama.  14 — Buffalo, New York.  15 — Troy, New York.  16 — Beaver Falls, Pennsylvania.  17 — Gary, Indiana.  18 — East Hartford, Connecticut.  19 — Los Angeles, California.  20 — Harrisburg, Penn.  21 — Charlotte, North Carolina.  22 — Nitro, West Virginia.</p> <p>Rochester, New York 14603.</p> <p>Silver Bay &amp; Rabbitt Minnesota.  Talmadge Road Edison New Jersey.  840 — W. Olympic Los Angeles Calif.  5455 Wilshire Blvd Los Angeles — Calif.  190 Colt Street Irvington New Jersey.  7630 8 St. Industry, Pico Rivera — Calif.  100 — 8Th Street Passaic, N.J.</p> <p>Central And Terminal Avenues Clark New Jersey U. S. A.</p> <p>945 — Zerega Avenue Bronx — N. Y.</p>	<p>الصناعة</p> <p>جمعية تلبية لخدمة</p>	

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> <li>• RLDGEFIELD MANUFAC-TURING.</li> <li>• RIGID — FLOOR.</li> <li>• RIGID — RIB.</li> <li>• RIVER TERMINAL RAIL-WAY CO.</li> <li>• ROCKFFELLER LAURENCE S. A. ASSOCIATE.</li> <li>• ROGER KENT.</li> <li>• ROYAL LYNNE LTD.</li> </ul>	<p>30 Rockefeller Plaza, New York 20. N. Y. U. S. A. New York. 530 — 7Th Ave. N. Y. C.</p>	<p>انتاج وتوزيع ملابس الرياضة للنساء ماركة ماركة سكك حديد</p>	
( S )			
<ul style="list-style-type: none"> <li>• S. H. KRESS &amp; CO.</li> <li>• SCHACHT FOUNDATION.</li> <li>• SCHACHT STEEL CORP.</li> </ul> <p>ومكتب التسويق الذي يملكه المدعو LAWRENCE SCHACHT.</p>	<p>465 Hillsdale Ave. Hillsdale 5. N. J. 200 E. 57Th Street New York City.</p>		
<ul style="list-style-type: none"> <li>• SEABOARD MANUF. CO.</li> <li>• SEAGRAM DISTILLERS CO.</li> </ul>	<p>375 — Park Avenue New York 10022.</p>	<p>بيع الملابس الرجالية للمشروبات الروحية</p>	
<ul style="list-style-type: none"> <li>• SEAGRAM OVERSEAS SALES CO.</li> <li>• SEAL KING.</li> <li>• SAN DIAMOND KNITTING MILLS INC.</li> <li>• SAMUEL ADIRE.</li> </ul>	<p>375 Park Avenue New York. New York 10022.</p>	<p>تصدير وتوزيع المشروبات الروحية ماركة</p>	
<ul style="list-style-type: none"> <li>• SAN RAFAEL CAYES. INC.</li> <li>• SCHERR TUMICA INC.</li> </ul>	<p>367 West Adams St. Chicago 6 — 111 — U. S. A. 2422 Broadway New York 24 N. Y.</p>	<p>تجارة الادوات الطبية الاسرائيلية</p>	
<ul style="list-style-type: none"> <li>• S. D. LEIDESDORF &amp; CO.</li> <li>• SEARS INTERNATIONAL CORP.</li> <li>• SEARLANES INTERNATIONAL INC.</li> <li>• SEVEN STAR.</li> <li>• SEARS FINANCE CORP. ( DEL )</li> <li>• SEARS ROEBUCK OVERSEAS INC. DEL.</li> <li>• SEARS ROEBUCK ACCEP-TANCE CORP. — DEL.</li> <li>• SEARS ROEBUCK S. A. (DEL) CENTRAL AMERICA.</li> </ul>	<p>St., James Minnerata, U. S. A.</p> <p>Illinois Chicago.</p>	<p>انتاج وتوزيع ادوات القياس الدقيقة أعمال المحاسبة</p> <p>أعمال الوكالة للملاحة</p>	

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> <li>● SINPSONS — SEARS LTD.</li> <li>● SEARS ROEBUCK &amp; CO.</li> </ul>	925 — Shoman Ave. Chicago 111 — U. S. A. وفرعها في فيلادلفيا وعنوانه : 4640 — Roosevelt Blvd.		
<ul style="list-style-type: none"> <li>● SENECA MAIL, INC.</li> <li>● SEMINARI SOUTH INC.</li> <li>● SHACHT STEEL CORP.</li> </ul>	465 — Hillsdale Ave. Hillsdale 5 — N. J. U. S. A.	تعمل في العقارات انتاج الفولاذ	
<ul style="list-style-type: none"> <li>● SHARON PALESTINE OIL CORP.</li> <li>● SHAWINIGAN RESINS CORP.</li> <li>● SHULSINGER BROTHERS.</li> </ul>	سبرنغفيلد بولاية ماساتشوستس 2 / E. Fourth St., N. Y. 3, N. Y.	طباعة ونشر الكتب والتقارير	
<ul style="list-style-type: none"> <li>● SHUNT LAMP CORPORATION.</li> </ul>	32 — 46, 23Rd. St. New York 10 N. Y.	اعمال نمود وتجبيع مصابيح الاسره والطاولات	
<ul style="list-style-type: none"> <li>● SIFREI ISRAEL.</li> </ul>	158 Fifth Ave. Room 725 New York Lo., N. Y.	انتاج الحبر	
<ul style="list-style-type: none"> <li>● SINCLAIR &amp; VALENTINE INC.</li> <li>● S. J. GENACH, INC.</li> </ul>	2 West 47Th St., N. Y. 36 N. Y.	تجارة المواد الاسرائيلية ( الماس ) للعقارات	
<ul style="list-style-type: none"> <li>● SKYE INCORPORATED.</li> <li>● S. M. ELOWSKY &amp; CO. INC.</li> </ul>	1407 — Broadway — New York N. Y.		
<ul style="list-style-type: none"> <li>● SOLCOOR INC.</li> </ul>	250 West 57Th. St. New York, 19 N. Y.	تجارة	
<ul style="list-style-type: none"> <li>● THE SOL MANUFACTURING CORP.</li> <li>● SONNEBORN BROS INC.</li> <li>● SONNEBORN CHEMICAL &amp; REFINNING CORP.</li> <li>● SONNEBORN INTER — AMERICAN CORP.</li> <li>● SONNEBORN OF MARYLAND.</li> <li>● SOUTHEN TEXTILES INC.</li> <li>● SOUTH BEND MANUFACTURING CO.</li> <li>● SOUTHERN PERMANENTE SERVICES INC.</li> <li>● SOUTHERN SHIPPING CO.</li> </ul>	Ocean Terminal Savannah. Georgia U. S. A.	صناعة القهوة	
<ul style="list-style-type: none"> <li>● SOUTHLAND MAIL INC.</li> <li>● SPANEL FOUNDATION.</li> </ul>		اعمال الوكالة	

الاسم	العنوان	الاختصاص	ملاحظات
• SPORTEENS INC.	1407 — Broadway New York — 18 — N. Y.	احد المصانع الكبرى لللباس	
• SPORT TOGS INC.	242, W. 36Th. Street New York City.	انتاج الملابس الرياضية للنساء بأسعار شعبية	
• SPRAYING SYSTEMS.	3201 — 09 West Randolph St. Bellwood — Illinois.		
• STANALCHEM INC.	350 Madison Ave. New York 17 N. Y. — U. S. A.	صناعة المواد الكيميائية	
• STANDARD MAGNESIUM & CHEMICAL.	U. S. A.		
• STANDARD TRIUMPH MOTOR CO. LTD.			
• STANLY WARNER CORP.	1585 Broadway New York 36 N. Y.	توزيع الافلام	
• STAPLING MACHINES CO.	21 Pine St., Rockaway, New Jersey.	صناعة الاختصاص	
• STATE MUTUAL LIFE — ASSURANCE CO. OF AMERICA.	440 — Lincoln Street Worcester Mass. — U. S. A.	للتأمين	
• STEARMS — ROGER CORP.	660 Bannock St., Denever 2 Colorado, U. S. A.	الاعمال الهندسية	
• SENTRY SHOE CO.			
• THE 721 CORPORATION.			
• SHAPIRO ( MICHAEL & RAE ) & FAMILY FOUN- DATION INC.	5400 North 27Th. Street Milwaukee 9 — Wisconsin.	جمعية	
• SIGMA PRODUCTION INC.	711 — Fifth Avenue, New York, N. Y.	شركة سينمائية	
• OTTO PREMINGER FILM.			
• SILVER SLICK.		ماركة	
• SNOW CORP.		ماركة	
• SOLCOOR INC. OF NEW YORK.	850 Third Avenue & Corner 51St. Streer New York, N. Y. 10022.	التجارة	
( مدرجة سابقا على أساس أنها فرع لمؤسسة سولدر بونيه الاسرائيلية ) .			
• SOMMER & KAUFMANN .	San Francisco — California.	مخزن بيع الاحذية صبغة الجلود	
• SOUTHERN SOLE CO.			
• SOVEREIGN SHOE CO.			
• SPARTANS INDUSTRIES INC.	وعنوانها الإدارة العامة : 1180 Avenue of The America New York 10036.	استغلال وإدارة المحلات التجارية الكبرى للبيع القطاعي	
• E. L KORVETTE.	( مدرجة بالابجديتين ) ( S. E. )		
• الذي اعتبر اسما تجاريا لشركة			
• SPRITE.		ماركة	



الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> <li>● STAPLES &amp; SPECIALTIES INTERNATIONAL.</li> <li>● SEAGRAM DISTILLERS CO.</li> <li>● SEAGRAM OVERSEAS SALES CO.</li> <li>● SHOLEM ALEICICHEM FOLK INSTITUTE.</li> <li>● SOUTHERN STEAMSHIP AGENCY.</li> <li>● STERLING DIE OPERATION. مدرجة سابقا باسم STERLING DIE CO.</li> <li>● THE STONE CHARITABLE FOUNDATION INC.</li> <li>● STONE CONTAINER CORP.</li> <li>● STOWELL SILK SPOOL CORP.</li> <li>● STREET BROS.</li> <li>● SUSAN MERCANTILE CORP.</li> <li>● SWEEPING BEAUTY.</li> <li>● STERLING DIE CO.</li> <li>● STONE &amp; FORSYTH CO. INC.</li> <li>● STRAUS DUPARGUET INC.</li> <li>● SUMNER CHEMICAL CO.</li> <li>● SUNWEAR INC.</li> <li>● SURION &amp; ISRAEL FOREIGN TRADE CREDITS CORP.</li> <li>● SURVEYS &amp; RESEARCH CORP.</li> <li>● SWISS — ISRAEL TRADE BANK ( GENEVA ).</li> <li>● SONNEBORN ASSOCIATES PETROLEUM CORP.</li> </ul>	<p>551 — Fifth Avenue New York 17 — N. Y.</p> <p>375 — Park Avenue New York 10022.</p> <p>61 St. Joseph. St. P. O. B. 2180 Mobile, Alabama 36601.</p> <p>Cleveland — Ohio.</p> <p>C/O Alford P. Rudnick 65 Devonshire Street Boston — 8. Massachusetts.</p> <p>Stone Container Building, Chicago, Illinois 60601. 50 East 42 Street N. Y. C.</p> <p>9 — Mid Atlantic Wharf, Charleston, South Carolina 29401 — U. S. A.</p> <p>350 Brook Line St. Cambridge 39 — Mass — U. S. A.</p> <p>33 East 17Th St. N. Y. 11 N. Y.</p> <p>Elkhart. بمدينة بولاية انديانا</p> <p>1010 Vermont Avenue N. W. — Washington 5. D. C. — U.S.A.</p> <p>20 Exchange Place ( Rm. 4300 — I ) New York ( وهو فرع المصرف السويسري الاسرائيلي ) .</p>	<p>جمعية</p> <p>اعمال الوكالة البحرية</p> <p>ماركة</p> <p>تجارة ادوات المطاعم والفنادق .</p> <p>مؤسسة استشارية</p> <p>تمثيل المصرف السويسري في امريكا والاجابة على الاستفسارات وتقديم المعلومات</p>	

الاسم	العنوان	الاختصاص	ملاحظات
( T )			
● T. NOONAN & SONS CO.	1350 Columbia Road Boston — Massachusetta. ولها فرع وعنوانه : 430 Waherley Street. Parrningham, Mass.		
● T. O. S.			
● TROA OPERATIONAL SATELLITES.			
● TAB.			
● TANKORE CORP.			
● TAPES & RECORDS DIVISION.	6550 East 30Th Street Indianapolis, Indiana.	ملركة شركة قابضة فرع اشركة التسجيل والاسطوانات	
● TAKAMINE LABORATORY.	Clifton, New Jersey.		
● TALLER & COOPER INC.	83, Front Street, Brookdyn 1., New York.	اعمال الهندسة	
● TARO PHARMACEUTICAL CO.	66 Eastern Parkway, Brookdyn. New York.	انتاج المواد الكيماوية	
● TARTAN HOMES.		العقارات	
● TATRA SHEEP CHEASE CO.	22 Harrison St., N. Y. 13 N. Y.	تجارة الجبن	
● TEL AVIV IMPORTING CORP.	47 Essex St., N. Y. 2 N. Y.	استيراد وتصدير	
● TERMINAL FREIGHT HANDLING CO. ( DEL ).			
● THREE LIONS INC. PUBLISHERS.	545 Fifth, New York 17 — N.Y.		
● TINAGARA NOVELTIES INC.		تعمل بالاوراق المالية	
● TITAN MANUFACTURING CO. INC.	701 — Seneca St. Buffalo 10 — N. Y.		
● TITAN SALES CORP.			
● TOLEDO MACHINE & TOOL CO. LTD.	توليدو — اوهايو		
● TOPPS CHEWING GUM INC.	237 — 37Th, Street, Brookdyn 32, New York.	انتاج اللبان والسكرات	
● TORCZYNER M. & CO. INC.	570 Fifth Ave. N. Y. 36 N. Y.	تجارة المواد الاسرائيلية ( الماس )	
● TOWN — MOOR. INC.	265 West 37Th. St. New York 18, N. Y. U. S. A.		
● TOWN AND COUNTRY ARUNDAL INC.			
● TOWN AND COUNTRY WEST, INC.			
● TOWN AND COUNTRY — WOODMOOR INC.			





ملاحظات	الاحصاء	ألقاب	اسم
	جمعية		<ul style="list-style-type: none"> <li>● UNION OF AMERICAN HEBERN CONGREGATION COMMITTEE ON JEWISH EDUCATION.</li> </ul>
	جمعية		<ul style="list-style-type: none"> <li>● UNITED SYNAGOGUE OF AMERICA : COMMISS. ON JEWISH EDUCATION.</li> </ul>
			<ul style="list-style-type: none"> <li>● ULTRA CHEMICAL WORKS INC.</li> </ul>
			<ul style="list-style-type: none"> <li>● U. S. PEROXYGEN CO.</li> </ul>
			( V )
	بيع الاحذية		<ul style="list-style-type: none"> <li>● V. J. ELMORE.</li> </ul>
	ماركة صبغة الجلود		<ul style="list-style-type: none"> <li>● VALCAR RENTALS CORP. &amp; SUBSIDIARIES.</li> </ul>
	ماركة		<ul style="list-style-type: none"> <li>● VALENTINE SHOE CO.</li> </ul>
			<ul style="list-style-type: none"> <li>● VALLEY GOLD.</li> </ul>
			<ul style="list-style-type: none"> <li>● VALMORE LEATHER CO.</li> </ul>
			<ul style="list-style-type: none"> <li>● VANEES PRODUCTS, INC.</li> </ul>
			<ul style="list-style-type: none"> <li>● VAPO NEFRIN.</li> </ul>
			<ul style="list-style-type: none"> <li>● 3 — VEE'S BIRD FEEDS INC.</li> </ul>
			( T ) مترجة أيضا بالإنجليزية
			<ul style="list-style-type: none"> <li>● VEGA TRADING CO.</li> </ul>
	مخزن		<ul style="list-style-type: none"> <li>● VENCE IRON &amp; STEEL CO.</li> </ul>
	ماركة		<ul style="list-style-type: none"> <li>● VENT VERT.</li> </ul>
			<ul style="list-style-type: none"> <li>● VICTOR FISCHEL &amp; CO. INC.</li> </ul>
	ماركة راديو — تلفزيون مسجلات سماعات		<ul style="list-style-type: none"> <li>● VICTROLA.</li> </ul>
	ماركة توزيع المحركات ذات الابدى المصنعة من البلاستيك وبعض الأدوات الأخرى . صناعة الأجهزة الكهربائية		<ul style="list-style-type: none"> <li>● VIRGINIA DYEING CORP.</li> </ul>
		317 East Onterio St.	<ul style="list-style-type: none"> <li>● VISION — VENT.</li> </ul>
			<ul style="list-style-type: none"> <li>● VACO PRODUCTS CO.</li> </ul>
			<ul style="list-style-type: none"> <li>● VACUMIZER MFG. CORP</li> </ul>
	لانتاج أدوات التجميل	8000 Cooper, Glendale Brooklyn 27, N. Y.	<ul style="list-style-type: none"> <li>● VICTORIA VOGUE INC.</li> </ul>

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> <li>● THE VINANGO REFINERY CO. INC.</li> <li>● VINTAGE WINES INC.</li> </ul>	Franklin Penna. 625 West 54 N. Y. 16.	البترول الاعمال التجارية استيراد وتوزيع الخمر	
( W )			
<ul style="list-style-type: none"> <li>● WARWICK ELECTRONICS INC.</li> <li>● WARWICK MFG. CO.</li> <li>● WELBILT CORPORATION</li> </ul>	Maspeth 78 New York	صناعة اجهزة الطبخ الغازية والكهربائية ومكيفات الهواء	
<ul style="list-style-type: none"> <li>● WALKER LAND CO. INC.</li> <li>● WELDON MILLS INC.</li> <li>● WALDMAN ASSOCIATES.</li> <li>● WEST COAST LINE INC.</li> </ul>	67 — Broad Street, New York U. S. A.	مصنع النسيج للحلاحة	
<ul style="list-style-type: none"> <li>● WESTERN WOODS, INC.</li> <li>● WEST VIRGINIA POWER CO.</li> </ul>		تملك اراضي وحقوق استخدام المياه الجارية فيها	
<ul style="list-style-type: none"> <li>● WESTVIEW APARTMENTS INC.</li> <li>● WESTVIEW SHOPPING CENTER, INC.</li> <li>● WHEELING ELECTRIC CO.</li> <li>● W. H. BOUGHERTY &amp; SONS REFINERY CO.</li> <li>● THE WHISTCLEAN CORP.</li> </ul>	Perotia, Penna. 404 — 4Th, Ave. N. Y. C.	تقوم بالاعمال الكهربائية	
<ul style="list-style-type: none"> <li>● WILHELM BAND CO.</li> </ul>	157 Division Ave. Brooklyn 11 N. Y.	صناعة الاثاث	
<ul style="list-style-type: none"> <li>● WILLIAMS DIAMOND &amp; CO.</li> <li>● WILLIAM H. WANAMAKER.</li> <li>● WILLYS OVERLAND CORP.</li> <li>● WINCHARGER CORP.</li> <li>● WINDSOR POWER HOUSE COAL CO.</li> <li>● W. C. THAIRWALL &amp; CO. INC.</li> <li>● WEATHEROGUE INC.</li> </ul>	530 W. 6Th Street Los Angeles. في فيلادلفيا	الملاحه السيارات	
<ul style="list-style-type: none"> <li>● WEDGE — LOCK.</li> <li>● WELBILT INTERNATIONAL CORP.</li> </ul>	475 Fifth Avenue New York. N. Y. 10017.	بيع الملابس الرجالية ماركة	



الاسم	العنوان	الاختصاص	ملاحظات
● WHIRPOOL CORP.	ولها ستة مصانع كبيرة في المناطق التالية : Clyde — Ohio. Marion — Ohio. Evansville — Indiana. Laport — Indiana. St. Joseph — Michigan. St. Paul — Minnesota.		
● WHIRLPOOL ICEMAGIC R. C. A. ( مدرجة أيضا بغنم اسنانا )		ملركة آلة صنع الجليد	
● WHITEHALL LEATHER CO.		صبغة الجلود	
● WHITEHOUSE & HARDY.	نيويورك .	مخزن لبيع الالبسة	
● WILLYS OVERSEAS S. A.			
● WITCO CHEMICAL ( INTERNATIONAL DIVISION SON- NEBORN PRODUCTS ).			
● WILLIAM OLROYD AND SONS LTD.			
● WORKMEN'S CIRCLE.		جمعية	
● WITCO INTERNATIONAL CORP.			
● WHITFIELD CHEMICAL CORP.			
● WINKLER CREDIT CORP.			
● WITCO CHEMICAL CO. INC.		تكرير البترول والدهانات الكماوية	
● WOODBRIDGE CONSTRUCTION CO. INC.			
● WOODCRAFT PEALTY CO. INC.			
( X )			
● X — TRU — COAT.	في السلفادور	ملركة	
● XEROX CORP.			
● X — TRUBE.		ملركة	
● XEROX FUND.	P. O. Box 1540, Rochester 3, N. Y.		
● XEROX CORPORATION.	Midtown tower, Rochester New York.		
( Y )			
● YESHIVA UNIVERSITY: COMMUNITY SERVICES.		جمعية	

الاسم	العنوان	الاختصاص	ملاحظات
<ul style="list-style-type: none"> <li>• YORK FUND INC.</li> <li>• YOUNG TIMER SHOE CO.</li> <li>• YORKTOWN INDUSTRIES INC.</li> </ul> <p>الحظر على آلات التسخ الإلكتروستاتيك ( ELECTROSTATIC COPI- ES ).</p> <ul style="list-style-type: none"> <li>• YASKI CORP.</li> </ul> <p>( Z )</p>	<p>330 Factory Road Addison Illinois 60101.</p> <p>550 Tenth Avenue, New York.</p>		
<ul style="list-style-type: none"> <li>• ZENITH ELECTRONICS CORP. OF ILLINOIS.</li> <li>• ZENITH HEARING AID SALES CORP.</li> <li>• ZENITH RADIO CORP.</li> </ul>	<p>غير عاملة :</p> <p>البنوى :</p> <p>1900 North Austin Avenue — Chicago — Illinois — 60630.</p>	<p>صناعة الراديو والتلفزيون والادوات الكهربائية والإلكترونية</p>	
<ul style="list-style-type: none"> <li>• ZENITH RADIO CORP. OF CALIFORNIA.</li> <li>• ZENITH RADIONICS CORP. OF ILLINOIS.</li> <li>• ZENITH RADIO CORP. OF MICHIGAN.</li> <li>• ZENITH RADIO CORP. OF NEW YORK.</li> <li>• ZENITH RADIO DISTRIBUTING CORP.</li> <li>• ZENITH RADIO RESEARCH CORP.</li> <li>• ZENITH RADIO RESEARCH CORP. ( U. K. ) LTD.</li> <li>• ZENITH SALES CORP.</li> <li>• ZIM, ISRAEL AMERICAN LINES.</li> <li>• ZOLLER CASTING CO.</li> </ul>	<p>غير عاملة :</p> <p>في البنوى — مبيعات .</p> <p>كاليفورنيا .</p> <p>شيكاجو .</p>		
<ul style="list-style-type: none"> <li>• ZENITH SHOE CO.</li> <li>• ZEPHYR.</li> <li>• ZODIAC.</li> <li>• ZUNINO — ALTMAN INC.</li> </ul>	<p>101 — Real Road Ave. Ridgefield New Jersey.</p> <p>ولها عنوانان آخران في نيويورك هما — 10Th Ave. N. Y. C. — 120 East 16Th, Street N. Y. C.</p>	<p>الملاحه</p> <p>صناعة الحديد ( صهر وصب )</p> <p>ماركة</p> <p>ماركة</p>	
<ul style="list-style-type: none"> <li>• ZIONIST ORGANIZATION OF AMERICA.</li> </ul>		<p>جمعية</p>	

## RELATED CORRESPONDENCE ALLEGING OPIC INVOLVEMENT IN DISCRIMINATORY PRACTICES IN OVERSEAS INVESTMENT MISSIONS

[Personal & Confidential]<sup>1</sup>

LAWRENCE PEIREZ, Esq.,

*Chairman, ADL's National Civil Rights Committee,  
Great Neck, N.Y.*

DECEMBER 23, 1974.

I am writing this letter to you even though I know you will not receive it until we both return, after the first of the year.

However, I feel very strongly about the matter at this point, and unfortunately, my indignation is liable to pass by January, and I want to get it down first.

I received a call from the Overseas Private Investment Corporation, known as OPIC. It is a quasi government organization which, on August 27, 1974, President Ford extended its operating authority to 1977. OPIC has the authority to borrow up to \$100 million from the United States Treasury for claims that cannot be handled out of its own reserves in supporting overseas investments. Actually, it is an instrument of the United States Government directed to operate programs which are backed by the full faith and credit of the United States. They invited me as President of \_\_\_\_\_ to go on a mission to Tunisia, Egypt, Saudi Arabia, Kuwait and Jordan (see enclosed). It is called the Triangular Investment Mission in which they are going to Kuwait, Saudi Arabia and other Gulf Countries to discuss funding for American companies investing in Tunisia, Egypt and Jordan, and possibly South America. They have signed up a number of companies to go including Avco, Bendix, Flying Tiger, Rohm & Haas, Foremost McKesson, Northrop Rockwell, Rohr, General Mills, C. F. Beene and Kaiser.

I told him I was very interested in attending such a Mission, but the man that I would normally nominate to go on such a trip if it was to Europe or to South America would be \_\_\_\_\_ who is my Financial Vice President, who happens to be a Jew, and would that be a problem. He said it most certainly would, and I would have to find another responsible official—don't I have another vice president who isn't Jewish. I said yes—I have and asked him to send me further information.

I then tried to reach Arnold Forster, but he was out of the country, and I decided just to play it cool. Hopefully, I will have additional information on my desk when we get back from vacation (that is the material which is enclosed now, received 23rd December 1974).

It seems that the United States Government is sponsoring many companies to go over and tap the \$25 billion or more that the oil countries have put into funds to invest in new factories and new business opportunities all over the world. These funds are available for American companies building not only in Arab nations, but also in South America and the Far East, but the decisions will be made not only on economic but political and ethnic situations. What I am worried about is where do we stop and how do we stop the corruption of an American company by the promise of tens or hundreds of millions of dollars of long term capital in return for not only a good business opportunity, but a good political climate.

I hope you have some answers. I don't.

Very truly yours,

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OVERSEAS PRIVATE INVESTMENT CORPORATION,  
*Washington, D.C., December 26, 1974.*

Opportunities for investment in North Africa and the Middle East are becoming increasingly attractive to American corporations as larger sources of petrodollar funds become available for investment in joint ventures with American management and technology. OPIC plans to facilitate identification and development of these opportunities by an investment mission to be conducted between

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<sup>1</sup> Signator's name and affiliation deleted by request.

February 12 and February 28 in Tunis, Tunisia; Cairo, Egypt; Amman, Jordan; Kuwait, Kuwait; and Riyadh and Jidda, Saudi Arabia. The mission will be composed of OPIC officers and a representative group of senior U.S. business executives potentially interested in investing in some of the less-developed Arab countries.

The mission is being planned to capitalize on experiences of similar project identification missions. Extensive preparatory work will assure participating business executives a first-hand opportunity to make an "on the spot" exploration of investment prospects through a series of meetings with government officials at the ministerial level and key local businessmen.

Major emphasis will be on devising innovative methods of combining American technology and Middle Eastern financial capacity. This theme is reflected in the name of the mission, "Triangular Investment Mission to the Arab Nation."

Invitations for tentative reservations are being issued to users of OPIC services in various industry sectors that appear to have the greatest potential for development of their overseas production and marketing in and from the selected countries.

Members of the mission will pay their expenses and a pro-rata share of the general expenses. Further and more definitive information will be available in January after completion of a second advance trip by the Mission Coordinator, Mr. William J. Bird, President of Rohr International Corporation and Carl H. Middleton, OPIC Mission Officer.

We would suggest that you make an early tentative reservation using the enclosed application, since the mission will be limited to about 30 people. This mission will be limited to one key corporate executive from each participating company, such as Chairman of the Board, President or Senior Vice President for International Operations. Please identify the individual you expect to participate on the enclosed form.

We will review the tentative reservations and notify you within two weeks of your inclusion in the mission. In making our selection we will consider the date of receipt of our reservation as well as the need to have a cross-section of relevant sectors.

We hope to hear from you as soon as possible.

Sincerely yours,

CARL H. MIDDLETON,  
*Director for Insurance, Middle East Africa Region.*

Enclosure.

TRIANGULAR INVESTMENT MISSION TO THE ARAB NATIONS, FEBRUARY 12-28, 1975

#### *Purpose*

Opportunities for investment in North Africa and the Middle East are becoming increasingly attractive to American corporations as larger sources of petrodollar funds become available for investment in joint ventures with American management and technology. The Triangular Investment Mission is being planned by the Overseas Private Investment Corporation to facilitate identification and development of these opportunities by American corporations. Major emphasis will be placed on innovative methods for combining American technology and Middle Eastern financial capacity. This theme is reflected in the name of the Mission, "Triangular Investment Mission to the Arab Nations."

Extensive preparatory work will assure participating business executives a firsthand opportunity to make an "on-the-spot" exploration of business and investment prospects through a series of conferences with government officials at the ministerial level and with key Arab businessmen.

#### *Schedule*

The group will depart New York Wednesday, February 12, for Rome. During our twenty-four hour stay in Rome, we anticipate meeting with the United States Ambassador to Italy, The Honorable John A. Volpe.

Departing Rome on February 14, the delegation will proceed to Cairo, Egypt, for the official opening of the high-level government conferences that we will pursue throughout the Middle East. From Cairo the delegation will proceed to Amman, Jordan; Kuwait, Kuwait; Riyadh and Jidda, Saudi Arabia; and will conclude the Mission in Tunis, Tunisia, on February 28.

In each of these cities our program will include official conferences with :

1. Arab government leaders—generally in the areas of industrial development, planning, agriculture, transportation and communication.
2. Executives of Arab-based petrodollar funds.
3. Arab business leaders.
4. American Ambassadors and their associates.

We also anticipate meeting a number of chief executives of Arab nations. Our conferences will conclude in Tunis on February 28.

#### *Overall cost of the mission*

An overall fee of \$3,500 will be charged each participant. This fee will cover first class round trip air fare between New York and Rome and coach class throughout the Middle East portion of the itinerary. Also included are hotel accommodations in Italy and the Middle East for 16 nights, all ground transportation to and from airports and conferences, visas, gratuities, special entertainment costs including receptions for distinguished guests, gifts of appreciation to high-level government executives, and miscellaneous conference expenditures for printed materials, postage, telephone, telegraph, supplies, etc.

These are estimated costs and do not include possible escalation of air fares or other costs. A final computation will be made upon the conclusion of the Mission. However, we believe the estimate is accurate. In the event the actual costs are at variance from the \$3,500 fee charged, an appropriate adjustment will be made, including a refund if we find the fee excessive.

You will note that meals are not included in the above expenses. It is anticipated that the delegation will be hosted on a number of occasions. Otherwise meal costs and other miscellaneous personal expenditures will be the responsibility of Mission participants.

#### *Deposit*

A deposit of \$500 is payable at this time in order to assure your reservation as a member of the Triangular Investment Mission. A refund of \$200 will be made if cancellation of your reservation is received prior to January 15, 1975. Full payment of the \$3,500 Mission fee must be received at this office by February 1.

Please make your checks payable to Triangular Investment Mission and mail them to :

Triangular Investment Mission  
c/o William J. Bird, Mission Coordinator  
Rohr International Corporation  
P. O. Box 878  
Chula Vista, California 92012

Should you later become unable to participate, it would be appropriate for another high-level executive to substitute for you.

#### *Passport and visa information*

Please complete the attached visa forms and return them to me at the earliest possible time along with 12 passport photos. We will ask for your passport on January 2, 1975, and will expedite the visa processing with the appropriate embassies in Washington, D.C., so that your passport will not be tied up more than a few days.

Because of the political sensitivity, it is recommended that passports *not* bear any stamp indicating a previous visit to Israel. If your passport indicates such a visit, it is strongly recommended that you apply for a special passport which can be used in connection with this particular Mission.

#### *Orientation for the mission*

We anticipate a day of orientation sessions will be held in Washington, D.C., with OPIC officials and other government representatives in late January, approximately two weeks prior to our Middle East departure. Further information regarding the orientation session will be sent upon receipt of your deposit. An orientation session also will be scheduled in Rome.

#### *Immunization information*

We have obtained the following immunization and health information from the Public Health Service :



Smallpox: Proof of vaccination *required* for travel to Egypt and Kuwait. Recommended for several other countries.

Cholera: Immunization strongly recommended by several countries.

Yellow fever: Immunization recommended by several countries.

Polio: Up-to-date vaccination recommended by several countries.

Typhoid: Immunization recommended by several countries.

Hepatitis: Gamma globulin injections recommended if traveler will remain 3 months or longer.

Malaria: Preventive treatment recommended if traveler will remain 1 to 2 weeks.

Since all of our travel in these countries will be of very short duration and we will remain in the urban areas, we rely on the discretion of each Mission participant to obtain "recommended" immunizations he feels are necessary. Please note that the smallpox vaccination is *required*.

#### *Action required by participants*

In order to expedite our plans and to secure your position as a member of the Triangular Investment Mission, we need to receive from you the following items:

#### *To Be Received Immediately In Order To Secure Your Position on the Mission*

1. Your deposit check for \$500.
2. Completed questionnaire (attached).

#### *To Be Received Within The Next Two Weeks*

1. A short biography and glossy black and white photograph of yourself.
2. A short (three paragraph) description of your company and its products which you wish included in a printed brochure to be circulated to Arab officials prior to arrival of the Mission.
3. A brief description of any current company operations in Arab nations, including number of employees, products, etc. If your company is not now engaged in the Arab nations, please state any interest you may have in the future Arab relations.
4. Completed visa forms (attached) with 12 passport photos.

Please call me should you require additional information. I would like to express my personal appreciation for your cooperation in what I believe will be an exciting and rewarding experience. Since I am handling all the details and logistics of the Mission, I would be happy to talk with you at any time if you desire further information or clarification.

WILLIAM J. BIRD,

*Mission Coordinator, Triangular Investment Mission.*

MARCH 3, 1975.

Hon. MARSHALL T. MAYS,  
*President, Overseas Private Investment Corp.,*  
*Washington, D.C.*

DEAR MR. MAYS: The Washington Post carried an article on February 26, 1975, that reported that the Overseas Private Investment Corporation had "... bowed to Arab pressure to exclude either American Jews or the Jewish state from various activities."

On Thursday, March 6, the Subcommittee on International Trade and Commerce will commence hearings on the Arab boycott of U.S. corporations that engage in business with Israel and on U.S. government policy toward that boycott.

It would be helpful for a full examination of the issues if you would provide the Subcommittee with an explanation of the charge reported above. I would appreciate receiving the statement in time to make it available to the subcommittee members at the hearing.

Thank you for your cooperation.

Sincerely,

JONATHAN B. BINGHAM.

OVERSEAS PRIVATE INVESTMENT CORPORATION,  
*Washington, D.C., March 5, 1975.*

Hon. JONATHAN B. BINGHAM,  
*House of Representatives,*  
*Washington, D.C.*

DEAR CONGRESSMAN BINGHAM: I have received your letter dated March 3, 1975, regarding an article in the Washington Post which contained an allegation that



OPIC had " \* \* \* bowed to Arab pressure to exclude either American Jews or the Jewish state from various activities."

I want to assure you that this allegation is completely false and that any such discrimination is repugnant to OPIC as it is to all Americans.

The specific charge in the Washington Post story is that an OPIC employee sought to exclude a member of the Jewish faith from an investment mission to the Middle East. The charge was apparently made in a letter to the Anti-Defamation League. We have attempted to determine the name of the firm which made the charge but the ADL has refused to disclose the name of the company or individual. No one who was connected with the investment mission can recall any such occurrence. I can assure you that if there was such an incident it was completely unauthorized and contrary to the principles under which we conduct our programs.

As you know, OPIC and its predecessor agencies have supported U.S. investment in Israel since 1952 and OPIC currently has insurance outstanding in Israel in excess of \$50 million covering 19 investments by U.S. firms and individuals. With the assistance of the Israeli Embassy, we have recently published the enclosed description of investment laws and opportunities in Israel.

If you should have any further questions about this or any other matter regarding OPIC, please let me know.

Sincerely yours,

MARSHALL T. MAYS.

LETTER WITH ENCLOSURES TO HON. JONATHAN B. BINGHAM FROM  
ANTONIN SCALIA, ASSISTANT ATTORNEY GENERAL, DEPARTMENT OF  
JUSTICE, CONCERNING EXECUTIVE ORDER 11246 AND TITLE VII OF THE  
CIVIL RIGHTS ACT OF 1964.

DEPARTMENT OF JUSTICE,  
OFFICE OF LEGAL COUNSEL,  
June 6, 1975.

HON. JONATHAN B. BINGHAM,  
*Chairman, Subcommittee on International Trade and Commerce, Committee on  
International Relations, House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: During the March 13 hearing before the Subcommittee on International Trade and Commerce, you asked whether Executive Order 11246 contains a provision, like § 703(e) (1) of Title VII of the Civil Rights Act of 1964, 42 U.S.C. 2000e-2(e) (1), excepting from nondiscrimination requirements for employment, situations in which religion, sex or national origin is a "bona fide occupational qualification." You requested that I submit for the record a supplement to my answer.

As I indicated at the hearing, the Executive order itself does not have an express exception for bona fide occupational qualifications ("BFOQ"). However, § 201 of the order authorizes the Secretary of Labor to issue implementing rules and regulations. (Also, § 204 authorizes him to exempt particular contracts when the "national interest" so requires or to provide by regulation for the exemption of certain classes of contracts.)

The current sex discrimination guidelines of Labor's Office of Federal Contract Compliance permit recruiting on the basis of sex where "sex is a bona fide occupational qualification." 41 CFR § 60-20.2. The original guidelines on discrimination because of religion or national origin did not address the matter of BFOQ. See 41 CFR pt. 60-50. Recent amendments, however, added a provision, comparable to § 703(e) (2) of Title VII (not § 703(e) (1), the BFOQ provision), which permits religious schools or colleges to give preference in their hiring practices to members of the particular religion. See 40 Fed. Reg. 13218 (Mar. 25, 1975).

I am enclosing for your information a memorandum issued by former Secretary of Labor Brennan regarding the applicability of the Executive order to overseas assignment. Also enclosed is a copy of a letter on a related subject which I sent to Mr. David A. Brody of the Anti-Defamation League of B'nai B'rith, in response to a letter from him which he requested be inserted in the hearing record.

I hope that this information will be of assistance.

Sincerely,

ANTONIN SCALIA,  
*Assistant Attorney General.*

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U.S. DEPARTMENT OF LABOR,  
OFFICE OF THE SECRETARY,  
Washington, D.C., March 10, 1975.

Memorandum to Heads of all agencies.

Subject: Employment discrimination based on religion or national origin by

Federal contractors engaged in operations or activities outside the United States or for foreign governments or companies within the United States.

Questions have arisen regarding the obligations of Federal contractors under E. O. 11246, as amended, when they are hiring United States citizens or resident aliens within the United States for performance of work outside of the United States or for work in the United States pursuant to a contract with a foreign Government or company.

E. O. 11246, as amended, and the guidelines issued pursuant thereto, 41 CFR, Part 60-50, prohibit Federal contractors from discriminating on the basis of religion or national origin (as well as race or sex) when hiring for work to be

performed in the United States or abroad. Federal contractors are exempted from this obligation only when hiring persons outside of the United States for work to be performed outside of the United States, 41 CFR § 60-1.5(a) (3). Thus, any Federal contractor or subcontractor hiring workers in the United States for Federal or nonfederally connected work would be in violation of Executive Order 11246, as amended, by refusing to employ any person because of religion or national origin regardless of exclusionary policies in the country where the work is to be performed or for whom the work will be performed.

All agencies are to insure that the equal employment principles reflected in this Memorandum are fully implemented.

PETER J. BRENNAN,  
*Secretary of Labor.*

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DEPARTMENT OF JUSTICE,  
OFFICE OF LEGAL COUNSEL,  
*Washington, D.C., June 5, 1975.*

MR. DAVID A. BRODY,  
*Anti-Defamation League of B'nai B'rith,*  
*Washington, D.C.*

DEAR MR. BRODY: Thank you for your letter of March 25. This confirms for the record what I have expressed to you in our several conversations since then.

Concerning the application of the "bona fide occupational qualification" (BFOQ) exemption of Title VII to a refusal to hire a Jewish applicant for a job to be performed in a country which does not admit Jews, my March 13 testimony limited itself to a description of the state of existing case law. I thought it inappropriate to go further, because my testimony purported to present to the Committee an authoritative statement of the Government's position on the issues it discussed. The precise point here in question turns upon an issue of statutory interpretation which has not been resolved in the Federal courts, and for which it is not the initial responsibility of this Department to establish the Executive Branch position. It would not have been proper for me to deprive the Equal Employment Opportunity Commission of its primary responsibility for giving content to the language of Title VII by setting forth my view—in official testimony—as the Executive Branch interpretation of the law.

All that being said, I do not wish to adopt an attitude of coyness with respect to my own thinking on the subject: While I do not share your degree of certitude, I believe your conclusion is correct—though I would rely principally upon a somewhat different ground. The statutory exclusion from the requirement of nondiscrimination applies only when a particular religion, sex, or national origin is "a bona fide occupational qualification." I think it is more than playing with words to suggest that religion, sex, or national origin as a qualification is quite different from religion, sex, or national origin as a *disqualification*. It is one thing to want French waiters; it is quite something else not to want Jewish waiters. One can reasonably conclude that Congress intended in the BFOQ exemption to permit employers to treat a certain religion, sex, or national origin with special favor but not to treat any religion, sex, or national origin with special disfavor. In any event, the exemption itself is phrased in those terms; and it is clear from the legislative history that the exemption is to be narrowly construed. Applying those principles to the situation under discussion, the BFOQ exemption would not apply.

I am, as you suggested, sending a copy of this letter to Chairman Bingham of the Subcommittee on International Trade and Commerce of the House Foreign Affairs Committee.

Sincerely,

ANTONIN SCALIA,  
*Assistant Attorney General.*

# DEPARTMENT OF STATE MEMORANDUM CONCERNING BOYCOTT PROVISIONS IN U.S. LAW AND THE ARAB BOYCOTT OF ISRAEL

## BOYCOTT PROVISIONS IN U.S. LAW AND THE ARAB BOYCOTT OF ISRAEL

### INTRODUCTION AND SUMMARY

United States law, especially in the Trading with the Enemy Act, gives the U.S. Government extremely broad boycott powers. Sections 3(a) and 5 (b) of the Act grant the President authority to apply both primary and secondary boycotts against a foreign nation and against persons, both corporate and individual, who enter into commercial relations with foreign countries. This authority was rigorously applied during both World Wars, although during World War II the President relied more on administrative discretion than on the prescriptions of the law to restrain trade with third parties; a prominent feature of the system in World War II was a blacklist of individuals and firms prepared under the guidance of the Treasury Department according to the criteria whether a person was "deemed to be" acting on behalf of or in collaboration with foreign enemies. Since World War II the U.S. has, with certain exceptions, enforced only primary boycotts; such are the ones now in force against Cuba and East Asian Communist countries. However, a concept analogous to a secondary boycott principle is applied in the U.S. Foreign Assistance Act against traders with Cuba and North Vietnam.

The Arab Boycott is both a primary and a secondary one. It employs different criteria, but its categories—particularly the "doing business in enemy territory" standard—conform closely to those followed in the Allies' boycott systems during World War II. The Arab Boycott, however, seeks to reach individuals (and companies they control) on the basis of criteria less objective than those utilized in the allied boycotts, and regulates certain activities (such as visas) that other states govern by separate laws.

### DISCUSSION

Two sections of the Trading with the Enemy Act ("the Act"), 40 Stat. 411 (1917), 50 U.S.C. app. SS1 et. seq., give the U.S. Government powers to impose restraints on trade against other countries and individuals and companies that deal with them. Section 3(a) of the Act is applicable only in time of war; this section declares it unlawful for "any person in the United States," without license of the President, to trade with, or for the benefit of, anyone whom the person knows, or has reasonable cause to believe, is an enemy or ally of enemy, or is trading for the benefit of an enemy or ally of enemy. The terms, "enemy" and "ally" of enemy," are defined to include not just the countries and governments with whom the U.S. is at war, and countries and governments allied to those with whom the U.S. is at war, but also individuals and corporations of any nationality which (a) reside in such countries, or (b) reside outside the U.S. and do business within such countries, or (c) are incorporated by such countries, or (d) are incorporated elsewhere than in the U.S. and do business within such countries (sec. 2). The Act further gives the President authority to include within the terms, "enemy" and "ally of enemy," any individuals or classes of individuals, regardless of where they reside or do business, who are "natives, citizens, or subjects" or an enemy or an ally of enemy nations and are not also U.S. citizens, "if he shall find the safety of the United States or the successful prosecution of the war shall so require" (sec. 2). The Act defines "trade" to include all forms of business or commercial contact, including the payment of obligations, transactions in negotiable instruments, the entering into or performance of contracts, and dealings in property (sec. 2).

It is thus plain that the Act generally empowers the U.S. Government to act against anyone in the U.S.<sup>1</sup> who has economic relations with any foreigner

<sup>1</sup> The phrase "in the United States" is ambiguous. Its likeliest meaning, given the construction of the sentence, the purpose of the Act and the wording of a subsequent section, is "subject to the jurisdiction of the U.S., even though the act be committed outside the U.S." Another interpretation is that the phrase modifies the action rather than the person performing the action and so should read, "committing proscribed acts within the jurisdiction of the U.S."

doing business within the territory of an enemy nation or of one of its allies. The U.S. Government seems to have applied the section 3 powers in their full rigor during World War I which included the issuance of proclamations denominating certain individuals as "enemies" within the meaning of the Act.<sup>2</sup>

During the Second World War, the U.S. Government made more extensive use of its authority to regulate transactions by means of administrative rulings under section 5(b)(1) of the Act. This section gives the Government a power to boycott somewhat different from that granted by section 3. It allows the President during time of war or proclaimed national emergency to:

"(A) investigate, regulate or prohibit, any transactions in foreign exchange, transfers of credit or payments between, by, through, or to any banking institution, and the importing, exporting, hoarding, melting, or earmarking of gold or silver coin or bullion, currency or securities, and

"(B) investigate, regulate, direct and compel, nullify, void, prevent or prohibit, any acquisition, holding, withholding, use, transfer, withdrawal, transportation, importation or exportation of, or dealing in, or exercising any right, power, or privilege with respect to, or transactions involving, any property in which any foreign country or a national thereof has any interest, by any person, or with respect to any property, subject to the jurisdiction of the United States; \* \* \*"

This section further provides that alien property or interests shall vest in designated persons or agencies when the President so directs.

On its face, section 5(b)(1) gives the President a more comprehensive and precise authority than does section 3 to regulate commercial transactions. During World War II the Government used this authority vigorously, in conjunction with its section 3 powers, in ways similar to those of World War I. First, the President issued a general license authorizing all transactions that would otherwise have been proscribed by section 3(a), except for those made unlawful by orders issued under the authority of section 5(b)(1) (6 Fed. Reg. 6420 (1941)); this general license was later restricted to certain geographic areas, South America being the most prominent. Second, the Treasury Department issued General Ruling No. 11 (7 Fed. Reg. 2168 (1942)) which defined categories of "enemy nationals" with whom trade was forbidden except by special license from the Treasury. Among these categories were ones for "any partnership, association, corporation or other organization *to the extent that it is actually situated within enemy territory*" (emphasis added); and for persons appearing on the Proclaimed List of Certain Blocked Nationals, a blacklist including persons "deemed to be" acting on behalf of or in collaboration with enemy countries or their nationals (6 Fed. Reg. 3555 (1941)). Thus, in contrast to the World War I controls, provision was made for separating the operations of a single entity according to whether a given operation was actually located in enemy territory; but at the same time there was granted a discretionary administrative power to forbid trade with persons simply according to the criterion whether they acted on behalf of or in collaboration with the enemy, regardless of their location or nationality.

In addition to the foregoing controls in World War II, the U.S. Government also exercised its authority under Section 3(c) of the Trading With the Enemy Act to promulgate and enforce censorship regulations.

The controls of World Wars I and II imposed what may be called a secondary as well as a primary boycott; that is, they forbade persons subject to U.S. jurisdiction to trade with certain third parties in commercial contact with the enemy as well as to trade with the enemy itself. Since World War II, controls have enforced a primary boycott (although concepts analogous to secondary boycott principles have been preserved in U.S. foreign assistance legislation). They have all been undertaken pursuant to section 5(b)(1); the most important are the Cuba regulations (31 C.F.R. § 515) and the East Asia regulations (31 C.F.R. § 500). These regulations prohibited unlicensed transactions with or on behalf of designated countries or their nationals. These controls, like those of the World Wars, have sought to prevent persons and property subject to U.S. jurisdiction from entering into commerce between the U.S. and the designated countries; unlike the wartime controls, they have not purported to interfere in contacts between Americans and third parties who have commercial relations with a designated country, so long as the American-

<sup>2</sup> For a discussion of application of the Trading with the Enemy Act, see generally M. Domke, *Trading with the Enemy in WW II* (1943).



third party contact is independent of the third party designated country relationship. There are two exceptions to the limited character of these boycotts. One concerns persons who have been within the territory of a designated country during the time of the boycott and provides that such persons will be considered designated nationals even after leaving the territory of a designated country and although they are not otherwise connected with the country. The other prevents any vessel from departing a U.S. port with bunker oil under general license if the vessel has called or is to call on North Vietnamese, North Korean or Cuban ports within a few months of its presence in the U.S. port (15 C.F.R. § 371.9(b) (1)-(2)).

U.S. law also applies concepts analogous to the secondary boycott principle in the country's foreign assistance programs. The Foreign Assistance Act prohibits the furnishing of assistance to countries which trade with North Vietnam or permit their vessels to transport goods to or from North Vietnam (sec. 620(n)); and to countries which give assistance to Cuba (the President may waive this by a determination that the waiver would be in the national interest), or fail to take appropriate steps to prevent their vessels from transporting goods to Cuba (Sec. 620(a) (1), (3)). Similarly, Public Law 480 forbids the President to make sales agreements under its authority with countries that sell or permit their vessels to transport to or from Cuba or North Vietnam any goods other than humanitarian ones (sec. 103(d)).

As reflected in the translation of the Principles of the Arab Boycott issued in June, 1972, which is attached, the Arab Boycott also contains broad primary and secondary boycott components. Though the transactions prohibited by the boycott, and the exceptions thereto, are far too numerous and detailed to permit any accurate summarization, the boycott may be said to ban all direct trade with Israel and a wide range of transactions with persons (natural or corporate) on the basis of prescribed economic or political activities considered beneficial to Israel. The Principles also extend the boycott to films and publications the content of which meets certain criteria. Since the Arab League states claim the continuing existence of a state of war with Israel, they would view the purpose of their boycott as similar to that of the Allies during the two World Wars. Indeed, they maintain that their boycott is patterned after the Allied boycotts. However, the Arab Boycott Principles contain greater detail than Allied boycott restrictions, presumably a reflection of the longer duration of the Arab boycott and the difficulty of applying it in a complex situation in which most states are not parties to the Arab-Israel conflict. In addition, the Principles contain various provisions on immigration which have been dealt with by separate laws and regulations in other countries. The Arab boycott also appears to prohibit transactions with persons, or entities they manage or control, on the basis of less objective criteria than those utilized in previous boycotts.



## DEPARTMENT OF COMMERCE REVIEW OF PRIMARY AND SECONDARY BOYCOTTS EMPLOYED BY COUNTRIES OTHER THAN THE UNITED STATES

A review undertaken by the Department of Commerce reveals that some ninety countries, including the United States, employ economic boycotts against at least one other country. For the most part, these are primary boycotts, i.e. embargoes of direct trade relations between one country and another. Several countries, however, employ boycotts which have secondary application in that they affect the interests of third countries. Attachments I and II enumerate, respectively, primary and secondary boycotts employed by countries other than the United States. Attachment III gives details of U.S. embargo activities.

### *Primary boycotts*

<i>Directed against</i>	<i>By</i>
Rhodesia -----	Algeria; Australia; Austria, Bahrain; Bangladesh; Barbados; Belgium; Brazil; Burma; Burundi; Cameroon; Canada; Central African Republic; Chad; Chile; People's Republic of China; Congo; Cyprus; Dahomey; Denmark; Arab Republic of Egypt; Ethiopia; Fiji; Finland; France; Ghana; Greece; Guyana; India; Indonesia; Iran; Iraq; Israel; Italy; Ivory Coast; Japan (except books and periodicals); Jamaica; Jordan; Kenya; South Korea; Kuwait; Lebanon; Liberia; Libyan Arab Republic; Luxembourg; Malaysia; Mauritius; Morocco; Netherlands; New Zealand; Niger; Nigeria; Norway; Oman; Pakistan; Panama; Philippines; Qatar; Rwanda; Saudi Arabia; Senegal; Sierra Leone; Singapore; Somalia; Spain; Sri Lanka; Sudan; Sweden; Syria; Tanzania; Thailand; Tunisia; Trinidad and Tobago; Turkey; Uganda; U.S.S.R.; United Kingdom (licenses normally not granted); Upper Volta; Venezuela; People's Democratic Republic of Yemen; Yugoslavia; Zambia.
South Africa -----	Algeria; Bangladesh; Barbados; Burma; Cameroon; Central African Republic; Chad; Chile (military equipment); People's Republic of China; Costa Rica; Cyprus; Dahomey; Arab Republic of Egypt; Ethiopia; Ghana; Guyana; India; Indonesia; Iraq; Jamaica; Kenya; Kuwait; Liberia; Libyan Arab Republic; Malaysia; Mauritania; Niger; Nigeria; Pakistan; Philippines; Qatar; Rwanda; Saudi Arabia; Senegal; Sierra Leone; Singapore; Somalia; Sudan; Syria; Tanzania; Trinidad and Tobago; Togo; Tunisia; Uganda; Upper Volta; Venezuela; Yugoslavia.
Israel -----	Algeria; Bahrain; Bangladesh; People's Republic of China; Arab Republic of Egypt; Iraq; Jordan; Kuwait; Lebanon; Libyan Arab Republic; Malaysia; Mauritania; Oman; Pakistan; Qatar; Saudi Arabia; Somalia; Sudan; Syria; Tunisia; Uganda; United Arab Emirates; Yemen Arab Republic; People's Democratic Republic of Yemen; Morocco.
Cuba -----	Brazil; South Korea.

*Primary boycotts—Continued*

<i>Directed against</i>	<i>By</i>
Portugal -----	Central African Republic; Congo; Dahomey; Ethiopia; Ghana; Guyana; Jamaica; Kenya; Liberia; Libyan Arab Republic; Mauritania; Niger; Rwanda; Senegal; Somalia; Sudan; Tanzania.
All Communist countries.	Republic of China (Taiwan).
Republic of China (Taiwan).	People's Republic of China; Pakistan.
South Korea -----	People's Republic of China.
India -----	People's Republic of China.
Namibia (South West Africa).	Ghana; India; Nigeria; Singapore.
Tibet Province of People's Republic of China.	India.
China.	
Angola -----	Indonesia.
Hong Kong -----	Iraq (other than certain essential goods).
Arab States -----	Israel.
People's Republic of China.	South Korea.
Mozambique -----	Libyan Arab Republic.
North Korea -----	South Korea.
N. Vietnam -----	South Korea.
El Salvador -----	Honduras.

Since the above are primary boycotts among countries other than the United States, they do not impose any requirements for actions by U.S. businessmen.

*Secondary boycotts*

<i>Directed against</i>	<i>By</i>
Rhodesia -----	Bangladesh does not permit imports from third countries if they are of Rhodesian origin. Clauses to that effect are not included in government or private tenders, but if foreign firms responding to such tenders want to supply goods of Rhodesian origin; their bids are not accepted.
	Pakistan does not permit imports from third countries if they are of Rhodesian origin. Clauses to that effect are included in some tender documents, and provision to this effect is included in official Government of Pakistan import regulations.
South Africa -----	Bangladesh (same as for Rhodesia).
	Pakistan (same as for Rhodesia).
Republic of China (Taiwan).	Pakistan (same as for Rhodesia).
Nepal -----	India prohibits the importation from Nepal of any commodities originating in countries other than Nepal or India.
Israel -----	Bahrain; Arab Republic of Egypt; Iraq; Jordan; Kuwait; Lebanon; Libyan Arab Republic; Oman; Qatar; Saudi Arabia; Syria; United Arab Emirates; Yemen Arab Republic; People's Democratic Republic of Yemen.
	Bangladesh (same provision as for Rhodesia).
	Pakistan (same provision as for Rhodesia).

## BOYCOTTS OF RHODESIA AND SOUTH AFRICA BY BANGLADESH

To our knowledge, the only step required of American businessmen is to be familiar with Bangladesh's regulations regarding imports from third countries of goods which originated in Rhodesia and Pakistan.

We know of no requirements that foreign firms certify that the goods did not originate in those countries.

#### PAKISTAN BOYCOTTS OF RHODESIA, SOUTH AFRICA, AND TAIWAN

Although some Pakistan tender documents state that goods may not be of Rhodesia, South African, or Taiwanese origin, we are not aware of any requirement that exporters in third countries must execute any certification to that effect. We assume that such exporters bear only the burden of being familiar with the Pakistani import regulations in this regard.

#### INDIA-NEPAL

This has no application to American businessmen.

#### ARAB COUNTRIES BOYCOTT OF ISRAEL

In most transactions with Arab countries, American businessmen are requested to provide certain information or certifications employed by the Arab countries to enforce the economic boycott of Israel. The information or certifications take various forms, e.g.:

- (1) Answers to specific questions about the nature of a firm's relations, if any, with Israel;
- (2) Undertakings to abide by the boycott of Israel regulations;
- (3) Undertakings that the firm is not on the boycott list, or will not subcontract with or use products of a boycotted firm in fulfilling the contract;
- (4) Certifications that the goods to be supplied are not of Israeli origin and contain no components of Israeli origin; and
- (5) Certifications that the ship or insurance company is not on the boycott list.

The responsibility for executing the above requirements usually fall on the exporter. The related service organizations bear no responsibility in this regard, except that banks, as the executors of letters of credit, must insure that required certifications are provided before payment is made to the exporter.

U.S. exporters (and now related service organizations such as banks, shipping companies, insurers, and freight forwarders) must report the receipt of boycott requests to the Department of Commerce.

## DEPARTMENT OF COMMERCE REVIEW OF U.S. EMBARGO ACTIVITIES

### U.S. EMBARGO ACTIVITIES

The United States conducts fairly extensive economic embargo programs directed against certain foreign countries. For the most part, these programs represent primary embargoes of trade with these countries or efforts to prevent the frustration of these direct controls by third-country exports or reexports involving U.S.-origin goods or technology. There are secondary aspects to certain of these programs, however, in that they restrict the freedom of action of third countries, including countries friendly to the United States and whose policies favor (or laws require) trade with countries against which our denial programs are directed. We do not mean to imply that the U.S. secondary boycott activities compare in degree or method of application with the Arab countries' secondary boycott of Israel. Although there are similarities, the differences are more striking.

### U.S. PRIMARY EMBARGOES

**U.S. Imports:** Under the Trading with the Enemy Act, imports from Cuba, North Korea, North Vietnam, South Vietnam, and Cambodia (Khmer Republic) are prohibited except under a license issued by the Treasury Department. Imports from Rhodesia are similarly prohibited unless the goods are strategic or critical materials.

**U.S. Exports:** Under provisions of the Export Administration Act of 1969, as amended, and implementing regulations of the Department of Commerce, U.S. exports to Southern Rhodesia,<sup>1</sup> Cuba, North Korea, North Vietnam, South Vietnam, and Cambodia are prohibited except under a validated export license issued by the Department of Commerce. Such licenses generally are not approved (exceptions generally are for humanitarian reasons). Exports of arms and military equipment to the Republic of South Africa and South-West Africa (Namibia)<sup>1</sup> are prohibited also.

### SECONDARY ASPECTS OF U.S. PROGRAMS

Under the Battle Act, it is U.S. policy to terminate military, economic and financial assistance to countries which knowingly permit the shipment of strategic goods (as defined in the International Traffic in Arms Regulations of the Department of State and the Export Administration Regulations of the Department of Commerce) to communist countries.

Under the Trading With the Enemy Act, American-owned or controlled firms in third countries may not engage in transactions with North Korea, North Vietnam, South Vietnam, Cambodia or Cuba, even in non-U.S.-origin goods, without approval of the Treasury Department. Similar Treasury regulations under the U.N. Participation Act of 1945 and U.N. Security Council Resolutions restrict trade of American-owned or controlled firms in third countries with Southern Rhodesia. The policy generally has been to deny such approval. For Cuba, this policy has now been relaxed to the following extent: Treasury is now licensing exports by American-owned or controlled firms in third countries whose policies favor trade with Cuba, provided that: (1) the goods to be exported are nonstrategic; and (2) if the goods contain any U.S.-origin components, authorization for use of the U.S.-origin components has been obtained from the Department of Commerce.

Under provisions of the Export Administration Act of 1969, as amended, and Department of Commerce Regulations:

(a) Firms in third countries may not reexport U.S.-origin goods or technology without prior approval of the Department of Commerce to countries for which validated licenses would be required for direct shipments from the United States.

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<sup>1</sup> Pursuant to U.N. Security Council resolutions and the United Nations Participation Act of 1945.

(b) Third country firms may not use certain U.S.-origin goods in producing end products destined for export to countries for which validated licenses would be required for direct shipment from the United States, without approval by the Department of Commerce.

(c) Third country firms may not export certain strategic products which they produce using U.S. technical data without prior approval of the Department of Commerce.

(NOTE.—The measures in (a)–(c) above apply with the greatest impact to transactions with the so-called “embargo destinations”—Cuba, Southern Rhodesia, North Korea, North Vietnam, South Vietnam, and Cambodia. However, approval is now being granted on a case-by-case basis to use an insubstantial portion of U.S.-origin materials, parts, or components in non-strategic foreign-produced products to be exported to Cuba, where the law or policy of the third country favors trade with Cuba.)

(d) Third country vessels and aircraft cannot obtain bunkers from U.S. ports (including the Panama Canal) without prior approval of the Department of Commerce if the vessel is destined to North Korea, North Vietnam, South Vietnam, or Cambodia, or had recently called at one of these destinations. A similar restriction affecting vessels calling at Cuba was recently lifted.

EXCHANGE OF CORRESPONDENCE BETWEEN HON. JONATHAN B. BINGHAM AND HON. JAMES A. BAKER III, UNDER SECRETARY OF COMMERCE CONCERNING THE ARAB BOYCOTT LIST

FEBRUARY 2, 1976.

HON. JAMES A. BAKER III,  
*Under Secretary of Commerce, Department of Commerce,  
Washington, D.C.*

DEAR MR. BAKER: Several additional questions have arisen concerning the Administration's new policies with respect to the Arab embargo on which you testified before this Subcommittee on December 11, 1975. These questions are listed below.

1. Some boycott requests by Arab countries refer neither specifically to the boycott of Israel, nor to the race, color, religion, sex, or national origin of any American. Rather, certain requests simply require assurance that a person or company is not on the "boycott list" and/or that any goods supplied do not include material of Israeli origin (see sample attached).

(a) Does the Administration believe that the boycott list itself is discriminatory in that it includes individual Americans and American firms on the basis of race, color, religion, sex, or national origin?

(b) Does the Administration regard boycott requests which refer to the "boycott list" as discriminatory against Americans on the basis of race, color, religion, sex, or national origin (and therefore illegal under current Administration policies), or does the Administration regard references to the "boycott list" as discriminatory against Israel but non-discriminatory against Americans (and therefore legal under current Administration policies)?

2. In order to see what impact the boycott has had on American firms doing business with Israel, do you think it advisable to include in the Commerce Department export report form the following questions:

(a) Do you do business with Israel? If not, is it because of a fear that doing business with Israel might result in your being placed on the Arab boycott list?

(b) Did you make any attempt to get the party making the request to eliminate the request?

I would appreciate receiving your reply at the earliest possible date so that the material may be included in the printed transcript of the hearings which is nearly ready to go to press.

Sincerely,

JONATHAN B. BINGHAM,  
*Chairman, Subcommittee on  
International Trade and Commerce.*

Enclosure (1).

THE UNDER SECRETARY OF COMMERCE,  
*Washington, D.C., March 5, 1976.*

HON. JONATHAN B. BINGHAM,  
*Chairman, Subcommittee on International Trade and Commerce, Committee on  
International Relations, House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in further response to your letter of February 2, 1976, in which you asked several questions concerning the Arab boycott. You indicated that your letter is a follow-up to my testimony of December 11, 1975 before your Subcommittee.

As I stated in my testimony before the Subcommittee, the Arab secondary boycott against Israel is designed to inhibit third country (including U.S.) firms from engaging in certain business activities with Israel which the Arabs view as supporting Israel and assisting in its development. Under its governing principles, the boycott is not intended to discriminate against American firms or citizens on



religious or ethnic grounds. In practice, it has been our experience that the boycott has generally not been applied against U.S. individuals or firms on a prescribed discriminatory basis. The few instances which have come to our attention of possible attempts at such discrimination appear to have been isolated acts of individual Arab businessmen or junior government officials, which did not reflect the policies of the respective Arab governments or the Arab League Council. Therefore, since the boycott list is a reflection of official boycott policy imposed by the Arab States against Israel, it is not deemed to be *per se* discriminatory against U.S. citizens or firms on the basis of race, religion, color, national origin, or sex.

Further, for the reasons set forth above, a boycott-related request which makes reference to the "boycott list" would not be considered to be discriminatory against U.S. citizens or firms on the basis of race, religion, color, sex or national origin. Therefore, under Section 3(5) of the Export Administration Act of 1969, as amended, and the Export Administration Regulations which implement that section, firms receiving such a request are requested and encouraged not to respond to the request, but would not be prohibited from doing so.

I am not convinced that the addition to the boycott reporting form of the questions suggested would provide particularly useful and reliable information as to the impact of the Arab boycott on American firms. As I noted in my testimony, many U.S. firms do business with both Israel and the Arab countries since the boycott is not generally applied against routine civilian trading activities. Of the firms that do not transact business with Israel, most are motivated by economic or business reasons totally unrelated to the boycott. In this regard it should be noted that the capacity of Israel to absorb investments or exports from U.S. firms that are capable of or interested in such overseas operations is relatively small.

As you may know, the forms on which exporters and related service organizations report the receipt of boycott requests require the parties filing the reports to indicate whether they intend to comply or have complied with the boycott request. A space is also provided on which the party filing the report may make any additional explanatory comments. In many instances, boycott requests are prompted by governmental requirements and are therefore not negotiable by the private parties to the transaction. It would be impractical, for example, for a related service organization to attempt to have a boycott request deleted in a routine commercial export transaction without endangering the completion of the transaction for the other parties because of the delay that such an attempt would entail. Since the response to the suggested questions would not reflect these factors, a somewhat distorted picture of the impact of the boycott on U.S. firms could result.

Finally, the Export Administration Regulations and the boycott reporting forms are designed to be applicable to all restrictive trade practices by foreign countries against another country friendly to the United States. We would therefore be somewhat reluctant to have the reporting forms used to query reporting entities as to their attitude toward a particular nation—Israel, in this case.

However, we review the reporting forms regularly, and, in spite of the reservations expressed in this letter, we will certainly give serious consideration to including the questions you propose under paragraph (a) on page 2.

Thank you for the opportunity to communicate further with you on this subject.

Sincerely,

JAMES A. BAKER III.

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